Ōtautahi-Christchurch

Te Pūrongo-ā-tau
Annual Report
2025

Volume 2 of 2

Christchurch City Council

Ōtautahi-Christchurch

Te Pūrongo-ā-tau
Annual Report 2025

Volume 2 of 2
Financial statements and Group information

Published by Christchurch City Council
PO Box 73015, Christchurch, New Zealand
Tel: +64 3 941 8999
Web: ccc.govt.nz

ISBN: 978-1-99-101717-8

Christchurch City Council

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Financial statements
Financial ratios and prudence benchmarks

The Council has financial ratios which form a key part of its financial risk management strategy.

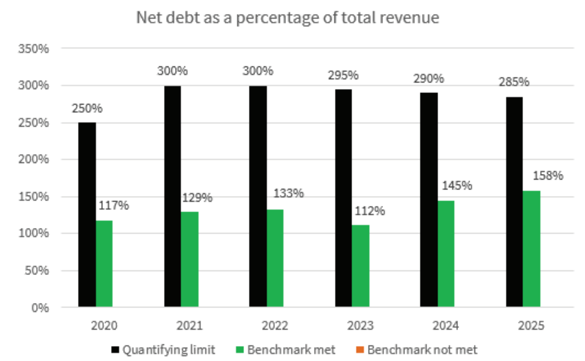
The Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 to report on the affordability and benchmark ratios, in addition, we are required to comply with ratios contained in our funding agreement with the Local Government Funding Agency.

These ratios and benchmarks enable the reader to determine that the Council is prudently managing its revenues, expense, assets, liabilities and general financial dealings.

Local Government Funding Agency Borrowing Covenants

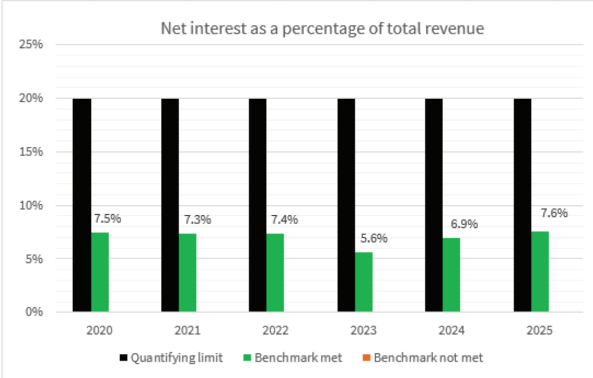
Net debt[1] as a percentage of total revenue[2]

The Council continues to comply with the net debt to total revenue ratio. The following graph compares the Council's actual ratio of net debt (borrowing) as a percentage of total revenue with a quantified limit stated in the Council's financial strategy within the 2024/34 LTP. The quantified limit is 285 per cent and Council is required to maintain net debt as a percentage of total revenue to less than or equal to the quantified limit.



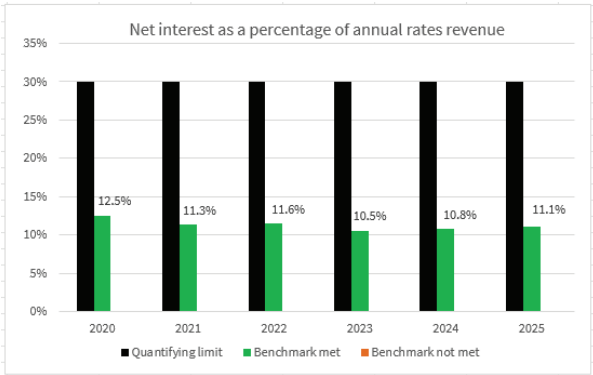
Net interest as a percentage of total revenue

The Council continues to comply with the net interest to total revenue ratio. The following graph compares the Council's actual benchmark of net interest as a percentage of total revenue with a quantified limit stated in the Council's Liability Management policy. The quantified limit is 20 per cent and Council is expected to maintain net interest as a percentage of total operating revenue to less than or equal to the quantified limit.



Net interest as a percentage of annual rates revenue

The Council continues to comply with the net interest to annual rates revenue ratio. The following graph compares the Council's actual ratio of net interest as a percentage of annual rates revenue with a quantified limit stated in the Council's Liability Management policy. The quantified limit is 30 percent and Council is expected to maintain net interest as a percentage of annual rates revenue to less than or equal to the quantified limit.

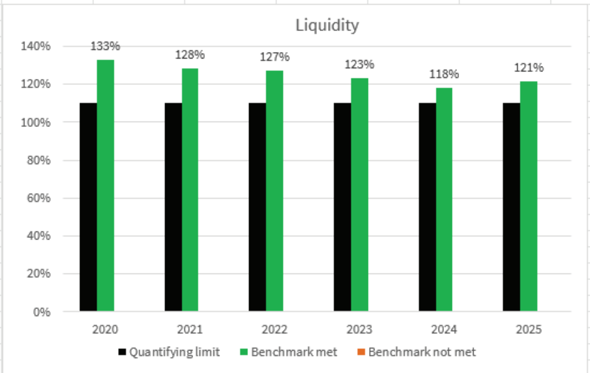


[1] Net debt is defined as total financial liabilities less financial assets (excluding trade and other receivables).

[2] Total revenue is total cash operating revenue excluding development contributions and non-government capital contributions.

Liquidity

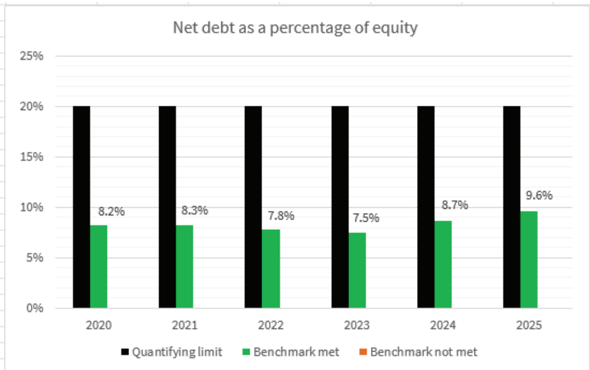
The Council continues to comply with the liquidity benchmark. For debt affordability, liquidity is calculated as total borrowings including committed but undrawn facilities plus liquid assets and investments compared to total term borrowings. The following graph compares the Council's actual liquidity with a quantified limit stated in the Council's Liability Management policy. The quantified limit is 110 per cent and Council is expected to maintain liquidity to be greater than the quantified limit.



Council only Debt affordability measure

Net debt as a percentage of equity

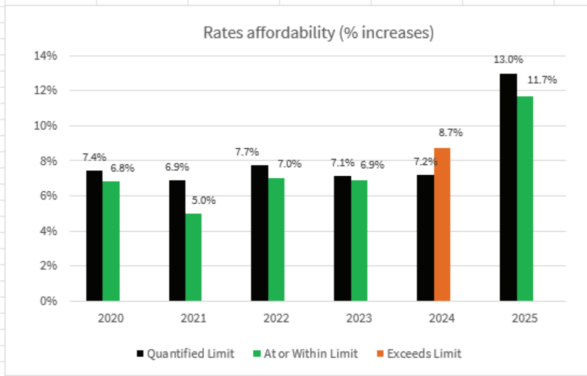
The Council continues to comply with the net debt to equity ratio. The following graph compares the Council's actual ratio of net borrowing as a percentage of equity with a quantified limit stated in the Council's Liability Management policy. The quantified limit is 20 per cent and Council is expected to maintain net debt (comprised of total borrowings less liquid assets and investments excluding shares and advances to subsidiaries) as a percentage of equity to be less than or equal to the quantified limit.



Rates affordability benchmark

The Council meets the rates affordability benchmark if its actual rates increase equals or is less than each quantified limit on rates increases.

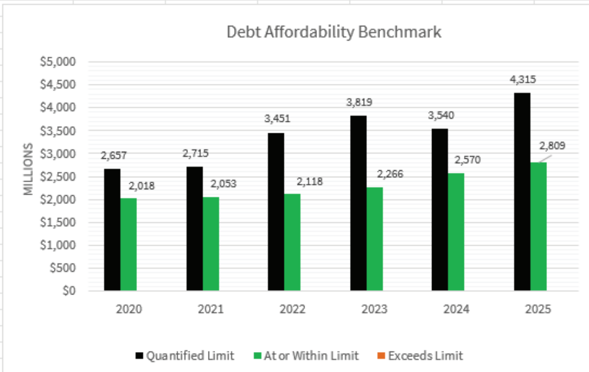
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Council's financial strategy within the 2024/34 LTP.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing.

The Council continues to comply with the total borrowing ratio. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Council's financial strategy within the 2024/34 LTP.

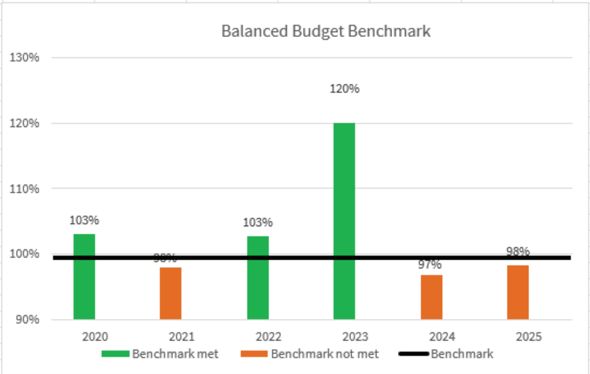


Balanced budget benchmark

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

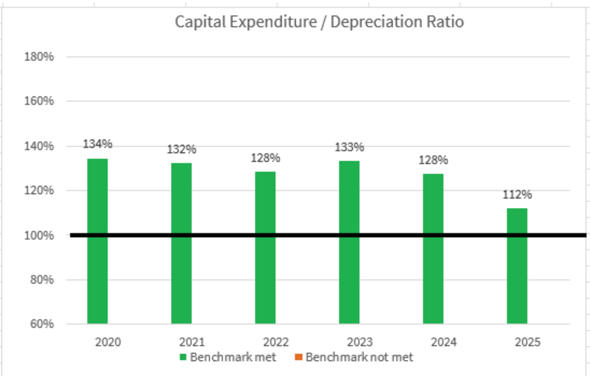
The benchmark is 100 per cent meaning that revenue equals expenses. The Council did not achieve the balanced budget benchmark in 2021,2024 and 2025 due to inflationary pressures and a slower transition to fully funding renewals from rates. The ratio for 2024 has changed from 96% to 97% to prior period adjustment.



Essential services benchmark

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The Council continues to comply with the essential services ratio. The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The benchmark is 100 per cent meaning that capital expenditure on network services equals depreciation on network services.

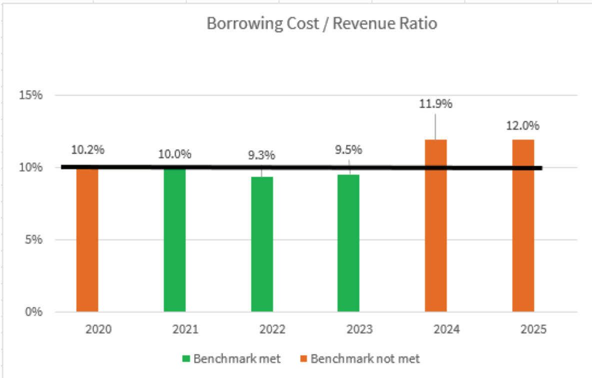


Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Council will meet the debt servicing benchmark if its planned borrowing costs equal or are less than 10 per cent of its planned revenue.

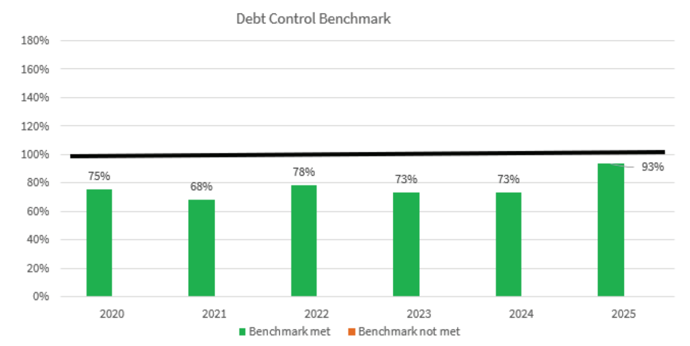
The primary reason for exceeding the debt servicing benchmark is the inclusion of interest costs relating to borrowing for onlending to CCHL. These interest costs are recharged to CCHL. Higher interest rates in the current economic environment also have some impact, along with borrowing relating to construction of Te Kaha.



The Council did not comply with the debt servicing benchmark in 2020,2024 and 2025.

Debt control benchmark

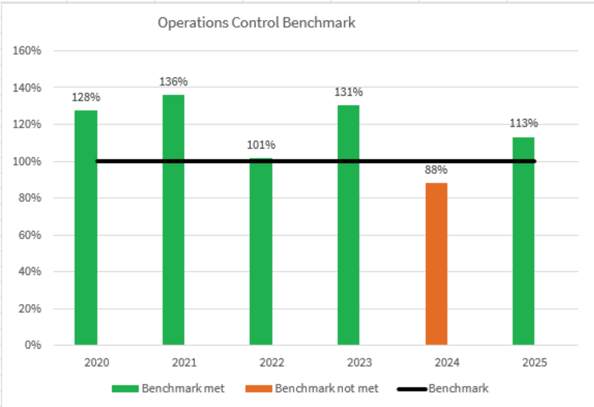
The Council continues to comply with the debt control benchmark. The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). If the Council's result was equal or lower than plan, the Council is deemed to have met the benchmark and the ratio is recorded as "green".



Operations control benchmark

The Council has historically met the operations control benchmark. The graph below shows the actual net cash flow from operations compared to the planned net cash flow from operations.

The Council meets the benchmark when its actual net cash flow from operations is equal to or greater than its planned cash flow.



The Council did not meet this benchmark in 2024 due to earlier than planned receipt of Crown funding for Te Kaha in 2023.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Christchurch City Council Group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Christchurch City Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the annual report of the Group in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

Unmodified opinion on audited information, excluding the statement of service performance

In our opinion:

- the financial statements of the Group on pages 247 to 252 and 254 to 372:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2025;
        - the results of its operations and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages 72 to 216, has been prepared, in all material respects, in accordance with clause 24 of schedule 10 to the Act;

- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages 72 to 216 has been prepared, in all material respects, in accordance with clause 26 of schedule 10 to the Act; and

- the funding impact statement for the year ended 30 June 2025 on page 253, has been prepared, in all material respects, in accordance with clause 30 of schedule 10 to the Act.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion on the audited information and the disclosure requirements* section of our report, the Council's statement of service performance (included in the activities and services statements) on pages 48 to 209:

- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;

- fairly presents, in all material respects, the actual levels of service for each group of activities, including:

    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and

    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of schedule 10 to the Act for the year ended 30 June 2025; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 31 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Basis for our opinion on the audited information and the disclosure requirements

Statement of service performance: Our work in the prior year was limited in relation to the performance measure: The average quality of ride on the sealed local road network, measured by smooth travel exposure

The Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the average quality of ride on the sealed local road network measured by smooth travel exposure. This performance measure is important because road smoothness is indicative of the quality of service provided to the community.

For the 30 June 2024 performance year, we were unable to obtain assurance over the accuracy of traffic estimate data used to calculate the performance measure, because this estimate data was not sufficiently up to date, as described on pages 132 and 133 of the annual report. The actual average quality of ride on the sealed local road network in the prior year may therefore differ materially from the result reported.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the accuracy of reported performance for this measure for the 2024 performance year, reported as comparative information. Our audit opinion on the statement of service performance for the year ended 30 June 2024 was modified accordingly.

This issue has been resolved for the 30 June 2025 year. As the limitation on our work cannot be resolved for the 30 June 2024 year, the Council's performance information reported for this measure for the 30 June 2025 year may not be directly comparable to the 30 June 2024 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matters

Without further modifying our opinion, we draw attention to the following disclosure:

Inherent uncertainties in the measurement of greenhouse gas emissions

The Council has chosen to include measures of its greenhouse gas (GHG) emissions in its statement of performance. Considering the public interest in climate change related information, we draw attention to page 184 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emission factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.

- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicated with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out audit and assurance engagements for the Council and its subsidiaries. These audit and assurance engagements, as described in note 5 on page 268, are compatible with those independence requirements. Other than the audit and these engagements we have no relationship with or interests in the Group.

Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of comprehensive revenue and expense
For the year ended 30 June 2025

	Note	Parent Actual 30 June 2025 $'000	Parent Plan 30 June 2025 $'000	Parent (Restated) 30 June 2024 $'000	Group Actual 30 June 2025 $'000	Group (Restated) 30 June 2024 $'000
Revenue						
Rates Revenue	2	773,342	771,379	692,460	753,342	674,752
Subsidies and grants	2	73,050	118,505	96,847	74,003	102,450
Development and financial contributions	2	28,869	23,440	35,177	28,869	35,178
Fees and Charges	2	91,446	86,098	81,682	91,470	81,399
Vested Assets and other revenue	2	201,406	155,789	223,458	1,634,095	1,594,736
Finance revenue	2	49,946	53,444	54,324	23,657	21,258
Share of associate and JV's Surplus/(deficit)	19	-		-	5,422	5,657
Total Revenue		**1,218,059**	**1,208,655**	**1,183,948**	**2,610,858**	**2,515,430**
Expenses						
Depreciation and amortisation*	10,11	(346,142)	(350,484)	(327,813)	(543,359)	(525,456)
Finance costs	3	(135,718)	(144,094)	(129,157)	(211,637)	(198,348)
Personnel costs	24	(212,742)	(209,632)	(210,784)	(607,560)	(594,275)
Other expenses*	4	(446,408)	(456,800)	(434,656)	(1,054,715)	(1,053,890)
Other (gains) / deficits	6	(14,424)	0	(38,015)	54,243	(25,925)
Total operating expenses*		**(1,155,434)**	**(1,161,010)**	**(1,140,425)**	**(2,363,028)**	**(2,397,894)**
Surplus/(Deficit) before income tax expense*		**62,625**	**47,645**	**43,523**	**247,830**	**117,536**
Income tax (expense) / credit	9	(28)	-	548	(26,493)	(107,711)
Surplus/(Deficit) after income tax expense from continuing operations		62,597	47,645	44,071	221,337	9,825
Surplus after income tax expense from discontinued operations		-		-	-	1,678
Surplus/(Deficit) after income tax expense for the year*		**62,597**	**47,645**	**44,071**	**221,337**	**11,503**
Other comprehensive revenue and expense						
Property, plant and equipment valuation movement	10	49,875	782,028	159,502	173,669	321,143
Revaluation of carbon emissions units		691	-	4,230	691	4,336
Investment revaluation gain/(loss)	6	652,066		223,406	945	400
Cash flow hedges gain/(loss)	6	(50,660)	-	(13,215)	(118,115)	(36,962)
Income tax relating to components of other comprehensive revenue and expense	9	-	-	(450)	(14,392)	(23,266)
Property, plant and equipment impairement loss		(6,106)			(6,106)	
Transfers and other items		-	-	-	798	517
Total other comprehensive revenue and expense		**645,866**	**782,028**	**373,473**	**37,490**	**266,168**
Total comprehensive revenue and expense*		**708,463**	**829,673**	**417,544**	**258,827**	**277,671**
Surplus/(Deficit) for the year is attributable to:						
Non controlling interests		-		-	21,395	5,492
Parent entity*		62,597	47,645	44,071	199,942	6,011
Total Surplus for the year*		**62,597**	**47,645**	**44,071**	**221,337**	**11,503**
Total comprehensive revenue and expense for the year is attributable to:						
Non controlling interests		-		-	30,277	19,982
Equity holders of the parent*		708,463	829,673	417,544	228,550	257,689
Total comprehensive revenue and expense*		**708,463**	**829,673**	**417,544**	**258,827**	**277,671**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Statements of financial position

As at 30 June 2025

	Note	Parent Actual 30 June 2025 $'000	Parent Plan 30 June 2025 $'000	Parent (Restated) 30 June 2024 $'000	Group Actual 30 June 2025 $'000	Group (Restated) 30 June 2024 $'000
Assets						
Current assets						
Cash and cash equivalents	16	210,868	95,586	127,347	316,574	222,551
Receivables and prepayments	7	96,641	123,964	156,239	260,488	310,163
Investment in CCOs and other similar entities	18	190,690	-	138,626	10,690	5,710
Other financial assets	20	3,000	92,364	189	22,419	39,706
Inventories	17	4,170	3,742	3,222	38,466	35,716
Other assets		-	-	-	14	22
Assets held for sale	14	12,385	-	11,648	12,385	11,658
Total current assets		**517,754**	**315,656**	**437,271**	**660,622**	**625,526**
Non-current assets						
Receivables and prepayments	7	1,202	-	1,048	8,749	6,992
Investments in associates and joint arrangements	19	6,196	-	6,196	10,843	12,985
Investment in CCOs and other similar entities	18	4,833,678	4,476,584	4,300,719	75,554	58,132
Other financial assets	20	56,143	132,609	74,334	47,188	91,597
Inventories	17	-	-	-	-	6,045
Property, plant and equipment	10	16,284,015	17,692,018	15,914,876	21,605,494	20,987,864
Investment property	15	-	-	-	875,866	803,874
Intangible assets*	11	22,562	120,517	14,440	127,490	111,972
Deferred tax assets	9	2,138	-	2,355	22,726	19,135
Total non-current assets*		**21,205,934**	**22,421,728**	**20,313,968**	**22,773,910**	**22,098,596**
Total assets*		**21,723,688**	**22,737,384**	**20,751,239**	**23,434,532**	**22,724,122**
Liabilities						
Current liabilities						
Creditor and other payables	8	126,708	155,458	133,628	263,531	250,674
Borrowings and other financial liabilities	20	476,893	469,600	300,730	531,534	859,884
Employee entitlements	24	28,511	24,997	25,459	73,066	68,009
Provisions	25	3,834	3,446	5,795	6,306	7,978
Other liabilities	26	23,045	-	25,118	49,205	53,533
Total current liabilities		**658,991**	**653,501**	**490,730**	**923,642**	**1,240,078**
Non-current liabilities						
Borrowings and other financial liabilities	20	2,367,775	2,470,137	2,269,875	4,118,599	3,356,664
Deferred tax liabilities	9	3,674	3,522	3,861	706,165	691,596
Employee entitlements	24	2,367	2,686	2,406	6,244	6,307
Provisions	25	16,064	15,924	18,009	17,995	20,962
Other liabilities	26	-	-	-	2,946	3,237
Total non-current liabilities		**2,389,880**	**2,492,269**	**2,294,151**	**4,851,949**	**4,078,766**
Total liabilities		**3,048,871**	**3,145,770**	**2,784,881**	**5,775,591**	**5,318,843**
Net assets*		**18,674,817**	**19,591,614**	**17,966,358**	**17,658,941**	**17,405,278**
Equity						
Accumulated Funds*		5,114,622	5,127,138	5,044,684	6,124,334	5,920,397
Reserves		13,560,195	14,464,476	12,921,674	11,044,598	11,010,351
Non-controlling interest		-		-	490,009	474,530
Total equity*		**18,674,817**	**19,591,614**	**17,966,358**	**17,658,941**	**17,405,278**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity
For the year ended 30 June 2025

Parent	Asset revaluation reserve $'000	Fair Value thru OCRE reserve $'000	Hedging reserve $'000	Reserve Fund $'000	Capital reserve $'000	Accumulated funds $'000	Attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 July 2023	7,513,602	3,074,114	40,652	222,478	1,733,853	5,045,581	17,630,280	-	17,630,280
Effect of prior period adjustment	-	-	-	-	-	(80,204)	(80,204)	-	(80,204)
As restated*	**7,513,602**	**3,074,114**	**40,652**	**222,478**	**1,733,853**	**4,965,377**	**17,550,076**	**-**	**17,550,076**
Surplus for the period*	-	-	-	-	-	44,071	44,071	-	44,071
OCRE for the year	163,731	223,406	(13,214)	-	-	(450)	373,473	-	373,473
Transfer to/from acc. comprehensive revenue & expense	9,935	(3,462)	(17)	121,189	-	(6,456)	121,189	-	121,189
Transfers to/from reserves	(37,775)	-	-	(125,556)	-	42,142	(121,189)	-	(121,189)
Elimination of Mayors Welfare Reserve Fund from CCC	-	-	-	(1,262)	-	-	(1,262)	-	(1,262)
Balance at 1 July 2024	**7,649,493**	**3,294,058**	**27,421**	**216,849**	**1,733,853**	**5,044,684**	**17,966,358**	**-**	**17,966,358**
Surplus for the period	-	-	-	-	-	62,596	62,596	-	62,596
OCRE for the year	44,460	652,066	(50,660)	-	-	-	645,866	-	645,866
Transfer to/from acc. comprehensive revenue & expense	-	-	-	13,477	-	-	13,477	-	13,477
Transfers to/from reserves	(20,822)	-	-	-	-	7,345	(13,477)	-	(13,477)
Other items	-	-	(1)	1	-	(3)	(3)	-	(3)
Balance as at 30 June 2025	**7,673,131**	**3,946,124**	**(23,240)**	**230,327**	**1,733,853**	**5,114,622**	**18,674,817**	**-**	**18,674,817**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity
For the year ended 30 June 2025

Group	Asset revaluation reserve $'000	Fair Value thru OCRE reserve $'000	Hedging reserve $'000	Reserve Fund $'000	Capital reserve $'000	Accumulated funds $'000	Attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 July 2023	8,718,956	25,545	96,556	228,436	1,722,174	5,958,800	16,750,467	465,208	17,215,675
Effect of prior period adjustment	-	-	-	-	-	(80,204)	(80,204)	-	(80,204)
As restated*	**8,718,956**	**25,545**	**96,556**	**228,436**	**1,722,174**	**5,878,596**	**16,670,263**	**465,208**	**17,135,471**
Surplus for the period*	-	-	-	274	-	5,737	6,011	5,492	11,503
OCRE for the year	284,801	404	(29,825)	-	(30)	(3,673)	251,677	14,491	266,168
Transfer to/from acc. comprehensive revenue & expense	9,935	(3,462)	(17)	121,189	-	(6,730)	120,915	-	120,915
Transfers to/from reserves	(37,775)	-	-	(124,270)	-	41,130	(120,915)	-	(120,915)
Other Items	(2,635)	-	-	95	-	5,337	2,797	152	2,949
Dividends paid or provided for	-	-	-	-	-	-	-	(10,813)	(10,813)
Balance at 1 July 2024	**8,973,282**	**22,487**	**66,714**	**225,724**	**1,722,144**	**5,920,397**	**16,930,748**	**474,530**	**17,405,278**
Surplus for the period	-	-	-	114	-	199,828	199,942	21,395	221,337
OCRE for the year	121,634	945	(94,769)	-	96	702	28,608	8,882	37,490
Transfer to/from accumulated comprehensive revenue and expense	(3,771)	-	-	13,477	5,252	(1,595)	13,363	-	13,363
Transfers to/from reserves	(20,822)	-	-	(1,309)	(384)	9,152	(13,363)	-	(13,363)
Acquisition of non-controlling interest without change in control	-	-	-	-	-	(4,133)	(4,133)	(2,126)	(6,259)
Dividends paid or provided for	-	-	-	-	-	-	-	(12,672)	(12,672)
Other^	13,785	-	(1)	-	-	(17)	13,767	-	13,767
Balance as at 30 June 2025	**9,084,108**	**23,432**	**(28,056)**	**238,006**	**1,727,108**	**6,124,334**	**17,168,932**	**490,009**	**17,658,941**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity
For the year ended 30 June 2025

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

^Other includes an $11.262 million adjustment related to the reclassification of the LPC revaluation movement, which was previously recognised through other comprehensive income and has now been adjusted through reserves to align with the current year's accounting treatment

Statements of cash flows

For the year ended 30 June 2025

	Note	Parent Actual 30 June 2025 $'000	Parent Plan 30 June 2025 $'000	Parent (Restated) 30 June 2024 $'000	Group Actual 30 June 2025 $'000	Group (Restated) 30 June 2024 $'000
Cash flows from operating activities						
Receipts from rates revenue		768,714	771,379	691,635	749,026	673,928
Receipts from other revenue		320,587	286,439	288,678	1,862,720	1,756,504
Interest received		49,890	50,046	52,596	22,244	18,213
Dividends received		62,781	62,403	55,515	7,781	4,815
Subvention receipts		16,309	11,260	31,811	-	-
Payments to suppliers and employees*		(661,956)	(667,565)	(617,955)	(1,666,709)	(1,651,179)
Interest and other finance costs paid		(137,331)	(144,094)	(126,708)	(219,075)	(202,739)
Income tax paid		-	-	(3)	(30,542)	(10,603)
Net GST movement		(160)	-	(8,308)	(79)	(8,428)
Other		-	-	-	500	10,412
Net cash provided by/ (used in) operating activities*	**28**	**418,834**	**369,868**	**367,261**	**725,866**	**590,923**
Cash flows from investing activities						
Proceeds from sale of investment		5,757	14,343	87,728	3,488	70,586
Proceeds from repayment loans and advances		139,270		127,419	9,070	8,320
Proceeds from sale of fixed assets		5,515	9,200	7,514	6,901	12,446
Proceeds from CBL Redeemable preference Shares		3,000				
Payment for investment		(26,601)	(2,000)	(65,921)	(25,747)	(59,118)
Payment for purchase of fixed assets*		(647,632)	(738,471)	(709,867)	(898,462)	(956,420)
Amounts advanced to related parties		(53,400)	-	(151,745)	-	145
Payment for investment properties		-		-	(42,255)	(12,065)
Proceeds from sale of businesses		-		-	1,087	2,344
Payment for goodwill		-		-	(15,115)	(11,713)
Other		-		-	388	(15,104)
Net cash used in investing activities*		**(574,091)**	**(716,928)**	**(704,872)**	**(960,645)**	**(960,579)**
Cash flows from financing activities						
Proceeds from borrowing		533,300	428,579	680,200	942,800	1,193,027
Repayment of borrowings		(290,168)	(81,519)	(371,149)	(592,598)	(846,305)
Repayment of finance leases		(4,354)		(4,248)	(8,729)	(10,712)
Dividends paid - non controlling interests		-		-	(12,671)	(10,813)
Other		-		4	-	7
Net cash from financing activities	**28**	**238,778**	**347,060**	**304,807**	**328,802**	**325,204**
Net increase/(decrease) in cash and cash equivalents		**83,521**	**-**	**(32,804)**	**94,023**	**(44,452)**
Cash and cash equivalents at the beginning of the financial year		**127,347**	**95,586**	**160,694**	**222,551**	**267,003**
Cash eliminated from Parent due to consolidation of CCO (Mayors Welfare Fund)		-		(543)	-	-
Cash and cash equivalents at the end of the financial year	**16**	**210,868**	**95,586**	**127,347**	**316,574**	**222,551**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment - Intangible Assets (Software as a Service Arrangement).

The above statements of cash flows should be read in conjunction with the accompanying notes.

Funding impact statement (whole of Council)
30 June 2025

	2025		2024	
	Actual $'000	**Long Term Plan $'000**	**Annual Report (Restated) $'000**	**Annual Plan $'000**
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	453,884	455,419	397,968	396,286
Targeted rates	319,459	315,960	294,491	292,491
Subsidies and grants for operating purposes	37,978	42,235	42,321	41,240
Fees and charges	127,816	118,054	119,407	109,440
Interest and dividends from investments	112,727	112,449	109,839	109,886
Local authorities fuel tax, fines, infringement fees, and other receipts	38,751	27,977	49,916	40,622
Total operating funding (A)	**1,090,615**	**1,072,094**	**1,013,942**	**989,965**
Applications of operating funding				
Payments to staff and suppliers*	592,470	593,235	583,795	545,460
Finance costs	135,717	144,094	129,156	131,147
Other operating funding applications	66,438	73,198	61,100	61,154
Total applications of operating funding (B)*	**794,625**	**810,527**	**774,051**	**737,761**
Surplus of operating funding (A-B)	**295,990**	**261,567**	**239,891**	**252,204**
Sources of capital funding				
Subsidies and grants for capital expenditure	41,305	84,769	61,437	152,871
Development and financial contributions	28,869	23,440	35,178	23,112
Increase (decrease) in debt	243,163	347,060	294,291	293,975
Gross proceeds from sale of assets	5,633	9,200	7,648	1,544
Other dedicated capital funding	3,616	1,225	27,095	1,176
Total sources of capital funding (C)	**322,586**	**465,694**	**425,649**	**472,678**
Applications of capital funding				
Capital expenditure				
- to replace existing assets	238,237	297,586	237,697	225,345
- to improve the level of service	376,271	400,897	394,968	448,376
- to meet additional demand	37,623	43,121	70,047	72,686
Increase (decrease) in reserves	13,477	(1,343)	(4,367)	(2,340)
Increase (decrease) of investments*	(47,032)	(13,000)	(32,805)	(19,185)
Total applications of capital funding (D)*	**618,576**	**727,261**	**665,540**	**724,882**
Surplus (deficit) of capital funding (C-D)*	**(295,990)**	**(261,567)**	**(239,891)**	**(252,204)**
Funding balance ((A-B) + (C-D))	-	-	-	-

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

Notes to the financial statements
30 June 2025

Note 1. Basis of reporting

Reporting entity

The Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity consists of the entities listed in the Group structure section.

The Group consists of the ultimate parent, Christchurch City Council, and its subsidiaries as outlined in the Group Structure section. The Council's 38.9% interest in Transwaste Canterbury Limited is equity accounted into the Group's financial statements.

The primary objective of the Council is to provide goods or services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a public benefit entity (PBE) for financial reporting purposes. Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The financial statements of the Council are for the year ended 30 June 2025. The financial statements were approved by the Council on 31 October 2025.

Statement of compliance

The financial statements and service performance information of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 Section 98 and Section 111, and Part 3 of Schedule 10 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

They comply with the Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), and other applicable financial reporting standards, as appropriate for Tier 1 Public Sector PBEs.

Going concern

The Council is in a net surplus position of $63 million (2024: $44 million surplus) for the current financial year ended 30 June 2025.

As at 30 June 2025, the Council had net current liabilities (current liabilities less cash and cash equivalents) of $448 million (2024: $363million). As at 30 June 2025, the Council met most of its prudential ratios, which form a key part of its financial risk management strategy. Council's Solvency Ratio (total assets/total liabilities) is extremely strong at 7.16 in 2025 and 7.48 in 2024. Council's liquidity ratios are lower as Council's main function is to generate non-current assets (mainly fixed assets) in the form of infrastructure for the public. Due to this our liquidity ratio (current assets/current liabilities) sits at 0.8 in 2025 and 0.89 in 2024. Given the strong solvency ratio and that Council have met the majority of its financial ratios, the Council's going concern status appears to be in a robust position. Management expects cash operating revenue to be on par with 2024/25 year in financial year 2025/26.

Statement of significant accounting policies (nga kaupapahere kaute)

Basis of preparation

<u>Measurement base</u>
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Council and Group is New Zealand dollars.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. The accrual basis of accounting has been used unless otherwise stated.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

<u>Foreign currency transactions</u>
Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.
Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the spot rate ruling at that date.

Note 1. Basis of reporting (continued)

Foreign exchange differences arising on translation are recognised in the surplus or deficit, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Goods and Services Tax (GST)

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are shown exclusive of GST.

Cost allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the recipient of an internal service can be identified, the cost recovery is made by way of a direct charge. Where this is not practical or the linkage is indirect, the costs are allocated by way of corporate overhead.

Corporate overhead is allocated either directly or indirectly to external service activities as follows:
- Property costs: pro rata based on the number of desks held for use for each unit.
- IT costs: pro rata based on the total number of active IT users.
- Human Resources and Payroll Services cost: pro rata based on the total number of planned employee work hours.
- All other costs: pro rata based on the gross cost of external service activities.

Plan values disclosed

The plan values shown in the financial statements represent the 2024/25 prospective financial statements included in the Long Term Plan 2024-2034 adopted on 27 June 2024.

Net Assets / Equity

Net Assets or equity is the community's and ratepayers' interest in the Council. It is measured as the difference between total assets and total liabilities. The asset revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve. The hedging revaluation reserve is recorded at fair value through other comprehensive revenue and expense reserve.

Significant items during the period

<u>Tax depreciation on buildings</u>
On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for commercial long-life buildings with an estimated useful life of 50 years or more, with effect from the 2024/25 income tax year.

Note 1. Basis of reporting (continued)

New Accounting standards and interpretations

Changes in accounting policy (Kaupapahere kaute) and disclosures

The following new standards, interpretations and amendments have been issued and effective as at 30 June 2025. Council has adopted these standards and interpretations.

PBE IPSAS1 Disclosure of Fees for Audit Firms' Services

The standard requires an entity to disclose the fees incurred for services received from the audit firm and a description of each service into specified categories. Note 5 Remuneration of auditors has been expanded to include the additional required information with the adoption of PBE IPSAS 1.

Accounting standards issued but not yet effective

2024 Omnibus Amendments to PBE Standards

The 2024 Omnibus Amendments issued in October 2024 include updates to PBE IPSAS 1 Presentation of Financial Reports to clarify the principles for classifying liabilities as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed the effect of the amendments in detail.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sector entities was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The Group has not early adopted this standard and will assess its impact on future reporting periods.

Principles of consolidation

Subsidiaries

Subsidiaries include special purpose entities and those entities where the Council has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. The potential to exercise or convert voting rights are considered when assessing whether the Council controls another entity.

From July 2019 the Ōtautahi Community Housing Trust is included in the consolidated group of the Council. The Ōtautahi Community Housing Trust is not a Council-controlled organisation and is included in the group as it meets the definition of a controlled entity pursuant to PBE IPSAS 35 Consolidation accounting standard only.

Subsidiaries are fully consolidated from the date on which control is transferred to the Council and de-consolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions are eliminated on consolidation. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Council. This includes the application of PBE accounting standards for those entities reporting under NZ IFRS.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive revenue and expense and the statement of financial position.

Note 1. Basis of reporting (continued)

Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform to PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or in future periods if it also affects future periods.

In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

Parent

The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic (currently annually) basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value (Note 18.4).

The valuation of the Council's facilities and infrastructural assets at optimum depreciated replacement cost involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets. Independent valuers were commissioned to perform the valuation and valuations of these asset classes will continue on a regular basis (currently three yearly) to ensure that the optimum depreciated replacement cost does not differ materially from their carrying value (Note 10.4).

The non-current provisions note discloses an analysis of Council's exposure in relation to estimates and uncertainties surrounding the landfill aftercare and building related claims provisions (Note 25.1).

Management is required to exercise judgement in calculating provisions, assessing the level of unrecoverable work in progress, assessing expected credit loss and calculating provisions for employee benefits.

Group

The determination of whether entities which the Council has an interest in are controlled for accounting purposes requires management to exercise judgement to determine whether the nature of the interest and the benefits, rights and obligations which accrue are sufficient for Council to control the entity.

Management of subsidiary companies determine useful lives for particular assets. In making this assessment, they make judgements about the expected length of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the company ceasing to use the asset in its business operations.

Management of the subsidiary companies assess whether individual assets or groupings of related assets (which generate cash flows co-dependently) are impaired by estimating the future cash flows that those assets are expected to generate. Assumptions such as rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for discounting future cash flows are required.

Classification of investment property

Christchurch International Airport Limited (CIAL) use judgement in identifying which components of property, plant and equipment are to be reclassified as investment property. A key factor for this classification is whether the property is used for aircraft-related activities. The classification has implications as to whether revaluation gains and losses are recognised through net surplus or deficit or through other comprehensive revenue and expense.

Note 1. Basis of reporting (continued)

Valuation of property, plant and equipment and investment property

Management of most of the subsidiary companies use independent valuers to determine the fair value of certain assets. The valuation process requires the use of assumptions and estimates which are based on market conditions at the time. Any changes in market conditions subsequent to balance date will impact future valuations. A movement in the fair value of an asset is subsequently recorded within the statement of comprehensive income, depending on the asset classification.

The assets of Lyttelton Port Company have been deemed as being inextricably linked and are therefore treated as a single cash generating unit (CGU) for valuation and impairment purposes.

Impairment assessments are completed annually on various asset classes. An impairment assessment measures the recoverable amount of an asset based on projections and estimates of future cash flows specifically related to the asset. An impairment charge is recognised for any asset with a carrying value in excess of its recoverable amount.

Valuation of investment in subsidiaries

Independent experts are appointed each year to value the investments. The valuation relies, in part, on publicly available information, management forecasts and other information provided by the respective management groups in relation to market conditions.

The valuations are based on the prevailing economic, market and other conditions as at 30 June 2025.

Note 2. Revenue

Accounting Policy / Kaupapahere Kaute

Revenue is measured at fair value.

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which the Parent provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Parent's revenue will be categorised non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Group satisfies an obligation which has been recognised as a liability, it reduces the carrying amount of the liability and recognises an amount of revenue equal to the reduction.

Finance revenue
Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised in surplus or deficit as it accrues, using the effective interest rate method.

2.1 Rates Revenue

Accounting Policy / Kaupapahere Kaute

Rates
Rates are set annually by a resolution of the Council (Parent) and revenue is recognised in surplus or deficit at the time of invoicing.

The following policies for rates have been applied:
- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Parent considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Parent has received an application that satisfies its Rates Remission Policy.
- Rates collected on behalf of the Canterbury Regional Council (Environment Canterbury or ECAN) are not recognised in the financial statements, as the Parent is acting as an agent for ECAN.

Note 2. Revenue (continued)

	Parent 30 June 2025 $'000	Parent 30 June 2024 $'000	Group 30 June 2025 $'000	Group 30 June 2024 $'000
General rates	450,499	392,588	438,742	382,460
Rates penalties	6,890	6,037	6,890	6,037
Targeted rates attributable to activities:				
- water	96,834	95,045	94,308	92,593
- excess water charges	4,564	5,359	4,445	5,220
- land drainage	58,925	48,796	57,388	47,537
- sewerage	121,162	108,151	117,999	105,361
- active travel	3,374	3,311	3,287	3,226
- waste minimisation	29,077	28,504	28,318	27,768
- fire service	121	120	118	117
- cathedral	1,100	1,079	1,072	1,052
- heritage	-	2,671	-	2,602
- arts centre	560	589	545	574
- central city business association	236	210	230	205
Total rates revenue	**773,342**	**692,460**	**753,342**	**674,752**
Less remissions	(6,187)	(5,430)	(6,187)	(5,430)
Rates revenue net of remissions	**767,155**	**687,030**	**747,155**	**669,322**

Commentary / Korerotanga

The increase in annual rates collected by Parent reflects the 11.68% increase as part of the 2024-2034 Long Term Plan and growth in rates units.

The annual rates revenue of the Parent for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the "Rates revenue net of remissions" shown above.

Rating base information

Rating units within the district or region of the local authority at the end of the preceding financial year.

	30 June 2024	30 June 2023
Number of rating units	181,698	182,536
Total land value of rating units	86,981,006,320	86,463,963,300
Total capital value of rating units	175,597,744,290	172,836,327,565

Commentary / Korerotanga

The rating database as at 30 June 2024 is used to determine the rates revenue for the 2024/25 year. This information is verified with Quotable Value Limited.

Note 2. Revenue (continued)

2.2 Subsidies and grants

Accounting Policy / Kaupapahere Kaute

Waka Kotahi (NZ Transport Agency) roading subsidies
The Parent receives funding assistance from Waka Kotahi, which subsidies part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue (including Waka Kotahi (NZ Transport Agency))
Grants revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue. Grant revenue is categorised as non-exchange revenue.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Waka Kotahi (NZTA) roading subsidiaries	53,683	54,485	53,683	54,485
One New Zealand Stadium at Te Kaha	-	13,021	-	13,021
Department of Internal Affairs (DIA) three waters reforms	-	755	-	755
Other grants and subsidies	19,367	28,586	20,320	34,189
Total subsidiaries and grants	**73,050**	**96,847**	**74,003**	**102,450**

Commentary / Korerotanga

Other grants and subsidies include funding received for Major Cycle Way Routes ($9.5 million), Better Off Funding ($5.9 million), and significant Water Services development ($2.6 million).

2.3 Development and financial contributions

Accounting Policy / Kaupapahere Kaute

Development contributions
Development contributions are classified as exchange revenue and recognised as revenue in the year in which they are received.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Reserves	3,595	3,613	3,595	3,613
Waste Water	7,997	11,129	7,997	11,129
Water Supply	3,643	4,802	3,643	4,802
Storm Water	3,344	5,009	3,344	5,009
Road Network	8,341	8,724	8,341	8,724
Other assets	1,949	1,900	1,949	1,900
Total development and financial contributions	**28,869**	**35,177**	**28,869**	**35,177**

Commentary / Korerotanga

Construction on development sites around Christchurch continued in 2024/25 resulting in a mix of cash development contributions received by the Parent for future growth of the infrastructure and services networks.

Note 2. Revenue (continued)

2.4 Fees and Charges

Accounting Policy / Kaupapahere Kaute

Building and resource consent fees
Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees
Entrance fees are fees charged to users of the Council's local facilities, such as the zoo, pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees
Fees for disposing of waste at the Council's landfill are recognised upon waste being disposed by users.

	Parent		Group	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Building and resource consent charges	38,141	35,882	37,933	35,882
Tradewaste	5,539	5,751	5,539	5,751
Swimming pool, fitness and other recreational centres revenue	22,837	18,297	22,837	18,297
Parking fees	10,864	9,115	10,864	9,115
Sale of goods	7,462	6,493	7,462	6,493
Other fees and charges	6,603	6,144	6,835	5,861
Total fees and charges	**91,446**	**81,682**	**91,470**	**81,399**

Commentary / Korerotanga

Fees and charges revenue are primarily sourced from building and resource consent charges as well as recreation, sports and fitness centres revenue.

Parking fees consists of casual and reserved parking fees as well as parking Infringement fees/Fines.

Sale of goods includes product sales, sale of stock, publications and information.

Note 2. Revenue (continued)

2.5 Finance Revenue

	Parent		Group	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Interest earned from financial assets measured at amortised cost				
-cash and term deposits	9,036	6,845	19,348	17,107
-related party loans	33,381	39,397	-	-
-LGFA borrower notes	3,243	2,964	3,243	2,964
Interest earned from financial assets measured at Fair Value Through Other Comprehensive Revenue and Expenses (FVTOCRE)				
-listed bonds (CCHL)	-	439	-	-
-related party loans	3,220	3,491	-	-
-community loans	1,066	1,187	1,066	1,187
Total interest revenue calculated using the effective interest rate method	49,946	54,323	23,657	21,258
Total finance revenue	49,946	54,323	23,657	21,258

Commentary / Korerotanga

Interest earned is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.

Note 2. Revenue (continued)

2.6 Vested Assets and other revenue

Accounting Policy / Kaupapahere Kaute

Vested assets
Vested assets are a physical asset received for no or minimal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Parent and goods donated are recognised as revenue when control over the asset is obtained. Vested assets and donated goods are categorised as non-exchange revenue.

Sale of goods and services
Sale of goods and services include electricity distribution revenue, airport service revenue, port services revenue, gross telecommunications revenue, waste and recycling services revenue and other sale of goods and services from Council subsidiaries.

Revenue is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Construction contracts
Revenue is recognised as soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in surplus or deficit in proportion to the stage of completion of the contact. The stage of completion is assessed by reference to surveys of work performed. An expected loss on a contract is recognised immediately in surplus or deficit.

Rental revenue
Rental revenue from investment and other property (net of any incentives given to lessees) is recognised in surplus or deficit on a straight-line basis over the term of the lease. It is classified as exchange revenue where it is considered to reflect a market/arm's length rental and is allocated over the lease term on a systematic basis. This revenue allocation is based on a pattern reflecting a constant periodic return on the Parent's net investment in the finance lease.

Dividend revenue
Dividend revenue is classified as exchange revenue and is recognised when the shareholder's right to receive payment is established.

Agencies
The Parent collects monies for many organisations. Where collections are processed through the Parent's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Volunteers
The Parent receives the benefit of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms and for this reason, are not included in the financial statements, as their value from an accounting point of view is considered immaterial in relation to total expenditure.

Note 2. Revenue (continued)

	Parent		Group	
	2025 **$'000**	**2024** **$'000**	**2025** **$'000**	**2024** **$'000**
Vested assets	53,644	45,863	53,644	45,863
Sale of goods and services	-	-	670,939	589,223
Construction contract revenue	-	-	633,066	665,739
Rental revenue on investment property	-	-	56,922	55,489
Rental revenue	33,984	32,454	110,949	103,229
Dividends	62,781	55,515	138	128
Subvention receipts	16,309	31,811	-	-
Insurance receipts	147	24,732	147	24,732
MSD Wage Subsidy	-	-	-	22
Sundry revenue	34,541	33,083	108,290	110,311
Total vested assets and other revenue	**201,406**	**223,458**	**1,634,095**	**1,594,736**

Commentary / Korerotanga

Vested assets relate to infrastructure transferred to the Parent from residential and commercial developments.

Parent’s rental revenue includes rent from the social housing portfolio from the Ōtautahi Community Housing Trust.

Dividends are primarily sourced from CCHL and Transwaste Canterbury Limited.

Parent’s insurance receipts in the 2024 year related to recognition of policy entitlements for the CWTP trickling filter fire, and settlement of a long running claim.

Note 3. Finance costs

Accounting Policy / Kaupapahere Kaute

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in surplus or deficit using the effective interest rate method. Interest payable on borrowings is recognised as an expense in surplus or deficit as it accrues.

	Parent		**Group**	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Interest on borrowings	129,922	123,264	206,197	157,613
Interest on debt instruments	-	-	-	36,098
Interest on finance leases	5,796	5,893	5,239	4,595
Other interest expense	-	-	201	43
Total finance costs	**135,718**	**129,157**	**211,637**	**198,349**

Commentary / Korerotanga

Interest costs increased at Parent and Group level, due to a combination of higher debt levels and higher market interest rates. Most debt is hedged (at both Parent and Group levels), to reduce the year-on-year volatility of interest costs, so the average interest rate on borrowings has been relatively stable despite the increase in market interest rates during the financial year.

Note 4. Other expenses

Accounting Policy / Kaupapahere Kaute

Non-discretionary grants
Those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants
Those grants where the Parent has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Parent and the approval has been communicated to the applicant and any grant criteria are met. Rates remissions are treated as a discretionary grants to the recipient of the remission in accordance with the Parent's rates remission policy.

Operating leases
Payments made under operating leases are recognised in surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised in surplus or deficit as an integral part of the total lease expense.

Minimum lease payments
Payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Unrecoverable rates
Where in the opinion of the Chief Executive rates cannot reasonably be recovered under sections 90A and 90B of the local Government Rating Act 2002, they are recorded as bad debts and written off. The Parent has the ability to recover rates on the sale of a property and until this occurs rates arrears are treated as doubtful debts and provision is made for the amount of rates outstanding.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Audit fees	907	878	3,938	3,503
Directors' fees	-	-	3,261	3,233
Donations and grants	66,517	61,047	42,514	37,276
Net foreign exchange (gains) / losses	-	-	41	(16)
Minimum lease payments under operating leases	2,897	2,685	3,745	3,617
Direct operating expenses (including repairs and maintenance) arising on investment properties	-	-	31,091	30,848
Orion network maintenance and transmission expenses	-	-	86,596	87,538
Raw materials and consumables used	-	-	49,837	48,439
Provision of services and maintenance of assets	219,055	208,711	414,666	423,753
Consultants and legal fees	14,116	22,889	29,483	47,809
Other operating expenses	142,917	138,446	389,543	367,890
	446,409	**434,656**	**1,054,715**	**1,053,890**

Commentary / Korerotanga

In 2024/25 $802,165 of rates were written off under sections 90A and 90B of the Local Government (Rating) Act 2002. (2023/24: $204,134).

Note 5. Remuneration of auditors

Accounting Policy / Kaupapahere Kaute

All auditors are appointed by the Auditor-General pursuant to the Public Audit Act. The auditor of the Parent and the Group entities is Audit New Zealand unless specifically identified.

	Parent 30 June 2025 $'000	Parent 30 June 2024 $'000	Group 30 June 2025 $'000	30 June 2024 $'000
Fees incurred for services provided by the auditors				
The Council and group's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General*				
Audit of the financial report				
- For the year ended 30 June 2025	642	-	3,075	-
- For the year ended 30 June 2024	80	578	184	2,724
- For the year ended 30 June 2023	80	-	80	34
- For the year ended 30 June 2022	-	-	-	20
Audit or review related services				
- Audit of the 2025-34 Long-Term Plan	96	292	96	292
- Assurance engagement related to debenture trust deed	9	8	9	8
- Audit of disclosure regulations	-	-	278	425
- Other audit or review related services	-	-	104	-
Other assurance services and other agreed-upon procedures engagements				
- Audit of climate statement	-	-	112	-
Total remuneration of auditors	**907**	**878**	**3,938**	**3,503**

*The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

Commentary / Korerotanga

Primary assurance service is provided by Audit New Zealand. This includes audit of the Council and the Mayor's Welfare Fund.

Lyttelton Port Company Limited is audited by KPMG, ChristchurchNZ Holdings Limited is audited by Grant Thornton and Ōtautahi Community Housing Trust is audited by BDO.

<u>Other assurance services provided by Audit New Zealand</u>
Audit New Zealand every year audits the LGFA Debenture Trust Deed on behalf of the Parent.

Audit New Zealand also reviews Orion New Zealand Limited's annual default price-quality path compliance statement and regulatory information disclosures as well as Christchurch International Airport Limited's Specified Airport Services Information Disclosure and the company's compliance with bond conditions.

Note 6. Other gains and losses

Accounting Policy / Kaupapahere Kaute

Realised gains and losses in surplus / deficit
Realised gains and losses arising from the sale of property, plant and equipment and investments and changes arising from the ineffectiveness of derivative financial instruments are recognised in surplus / deficit. Movements in impairments are also recognised through surplus / deficit.

Other losses
Other losses include revaluation decrements relating to investment properties, losses on the sale of property, plant and equipment, derecognition of intangible assets due to accounting treatment, and losses arising from derivative financial instruments.

6.1 Other gains and losses recognised in surplus / deficit

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Gains / losses in surplus / (deficit)				
Non-financial instruments				
Gains / (losses) on disposal of property, plant and equipment	(15,554)	(34,341)	(14,198)	(33,747)
Gains / (losses) on revaluation of investment properties	-	-	24,487	15,450
(Impairment) / reversal of impairment on other assets	-	-	-	(474)
(Impairment) / reversal of impairment on property, plant and equipment	-	-	8,361	(4,850)
Gains / (losses) on revaluation of property, plant and equipment	-	-	33,977	-
	(15,554)	**(34,341)**	**52,627**	**(23,621)**
Financial instruments				
Gains / (losses) through ineffectiveness of cash flow hedges	5,846	6,751	5,846	6,743
Gains / (losses) through de-recognition of cash flow hedges	(5,851)	(6,773)	(5,851)	(6,773)
Gains / (losses) through ineffectiveness of fair value hedges	-	-	687	(162)
Impairment from expected credit loss	(1,535)	2,018	268	2,471
Fair value through income statement financial instruments fair value change	2,670	(5,670)	666	(4,583)
	1,130	**(3,674)**	**1,616**	**(2,304)**
Net other gains / (losses)	**(14,424)**	**(38,015)**	**54,243**	**(25,925)**

Commentary / Korerotanga

The residual value ($15.5 million) of infrastructure assets replaced as part of the repairs and renewal programme for three waters or roading infrastructure are categorised as disposed of when the new assets are recognised (2024 : $35.2 million).

See Note 20.4 for an explanation on the transactions that resulted in the de-recognition of the hedge relationships.

See Note 15 for a description of the investment property revaluation gains.

Impairment from expected credit loss (ECL) includes ECL on trade and other receivables and ECL on other financial assets, mostly community loans.

Note 6. Other gains and losses (continued)

6.2 Unrealised gains and losses in other comprehensive revenue and expense

Accounting Policy / Kaupapahere Kaute

Unrealised gains and losses in other comprehensive revenue and expense
Unrealised gains and losses arising from the revaluation of investments and changes arising from mark to market valuation of derivative financial instruments are recognised in other comprehensive revenue and expense.

	Parent		Group	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Unrealised gains and losses in other comprehensive revenue and expense				
Investment revaluation gain / (loss)				
Revaluation of shares held in:				
Christchurch City Holdings Limited	646,029	235,459	-	-
Venues Ōtautahi Limited	5,225	(12,305)	-	-
Other	812	252	945	400
	652,066	**223,406**	**945**	**400**
Cash flow hedges gain / (loss)				
Unrealised gain / (loss) on changes in fair value of cash flow hedges	(50,660)	(13,215)	(118,115)	(36,962)
	(50,660)	**(13,215)**	**(118,115)**	**(36,962)**
Total unrealised gains & losses in OCR&E	**601,406**	**210,191**	**(117,170)**	**(36,562)**

Commentary / Korerotanga

Investment revaluation gains / (losses)
External valuations are obtained for Christchurch City Holdings Limited, ChristchurchNZ Holdings Limited, Civic Building Limited and Venues Ōtautahi Limited (formerly Vbase Limited). All other subsidiaries are valued using an internal fair value model.

Cash flow hedge gain / (loss)
Derivative “swap” instruments are entered into for the purpose of reducing the volatility of cash interest costs from year to year, and all such instruments are designated as Cash Flow Hedges. The fair market value of these instruments increases / (decreases) in line with movements in longer-term interest rates. Term interest rates decreased in the year to June 2025 resulting in a decrease in the instrument value, recorded as a cash-flow hedge loss.

See Note 20.6 for sensitivity analysis of potential impacts from changes in market interest rates.

Note 7. Receivables and prepayments

Accounting Policy / Kaupapahere Kaute

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit losses (ECL) over the life of the asset.

For the purpose of aging analysis, trade receivables above includes rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables.

As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

An expected credit loss allowance (ECL) has been made for each class of debtor and the estimate is based on the measurement of expected credit losses on historical, current and projected information. The balance of the movement was recognised in net surplus and deficit for the current financial year.

	Parent 30 June 2025 $'000	Parent 30 June 2024 $'000	Group 30 June 2025 $'000	Group 30 June 2024 $'000
Trade receivables				
Trade receivables	23,768	32,614	138,688	146,032
Rates receivables	34,458	31,517	34,458	31,517
Related party receivables	10,316	9,223	-	-
	68,542	73,354	173,146	177,549
Other receivables				
Chargeable work in progress	-	-	32,104	31,823
Contract retentions	-	-	-	2,599
Insurance receivables	-	55,750	-	55,750
Finance lease receivable	-	-	-	(16)
Accrued interest	10,567	10,511	7,002	11,442
Other receivables	-	-	12,174	2,845
Total other receivables	10,567	66,261	51,280	104,443
Less provision for impairment	(350)	(476)	(1,319)	(1,272)
Total trade and other receivables	**78,759**	**139,139**	**223,107**	**280,720**
Prepayments	9,591	9,102	43,598	40,301
GST receivables	9,177	8,810	1,802	(4,104)
Statutory land charge	316	238	316	238
Total receivables and prepayments	**97,843**	**157,289**	**268,823**	**317,155**
Current receivables from exchange transactions	20,995	76,488	191,500	243,255
Current receivables from non-exchange transactions	75,646	79,752	68,574	66,908
Total current receivables and prepayments	**96,641**	**156,240**	**260,074**	**310,163**
Non-current receivables from exchange transactions	-	-	7,547	5,944
Non-current receivables from non-exchange transactions	1,202	1,048	1,202	1,048
Total non-current receivables and prepayments	**1,202**	**1,048**	**8,749**	**6,992**

Commentary / Korerotanga

Most receivables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. Following a post-balance date insurance settlement, when the initial event occurred before balance date, Council is required to disclose a receivable as at the reporting date. This ensures events occurring after balance date, that are relevant to the financial statements, are recognised.

Note 7. Receivables and prepayments (continued)

7.2 Credit risks aging of trade receivables

30 June 2025	Parent Estimated gross amount at default $'000	Parent Expected credit loss rate %	Parent Impairment $'000	Parent Net $'000	Group Estimated gross amount at default $'000	Group Expected credit loss rate %	Group Impairment $'000	Group Net $'000
Not past due	52,146	0.1%	(40)	52,106	144,848	0.3%	(493)	144,355
Past due 1-60 days	2,650	2.0%	(54)	2,596	11,005	0.3%	(37)	10,968
Past due 61-120 days	11,464	0.1%	(10)	11,454	12,859	0.1%	(14)	12,845
Past due over 120 days	2,282	10.8%	(246)	2,036	4,434	17.5%	(774)	3,660
Total trade receivables	**68,542**		**(350)**	**68,192**	**173,146**		**(1,318)**	**171,828**

30 June 2024	Parent Estimated gross amount at default $'000	Parent Expected credit loss rate %	Parent Impairment $'000	Parent Net $'000	Group Estimated gross amount at default $'000	Group Expected credit loss rate %	Group Impairment $'000	Group Net $'000
Not past due	56,175	0.2%	(125)	56,050	147,861	0.1%	(129)	147,732
Past due 1-60 days	1,706	0.4%	(6)	1,700	10,534	0.2%	(21)	10,513
Past due 61-120 days	6,527	0.1%	(9)	6,518	7,677	0.7%	(56)	7,621
Past due over 120 days	8,946	3.8%	(336)	8,610	11,477	9.3%	(1,066)	10,411
Total trade receivables	**73,354**		**(476)**	**72,878**	**177,549**		**(1,272)**	**176,277**

Commentary / Korerotanga

With the exception of amounts in dispute, no general allowance is provided on rates receivables as the Parent has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

Note 8. Payables

Accounting Policy / Kaupapahere Kaute

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

	Parent		Group	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Trade payables and accrued expenses	91,612	85,573	225,064	200,463
GST payable	-	-	2	-
Amounts due to related parties	3,423	13,301	-	-
Interest payable	18,273	19,887	22,559	33,772
Deposits held	-	-	627	527
Amounts due to customers under construction contracts	-	-	-	104
Retentions	13,400	14,867	14,744	15,807
Other payables	-	-	535	1
Total creditors and other payables	**126,708**	**133,628**	**263,531**	**250,674**
Taxes and transfers payable	11,934	10,705	11,386	10,489
Payables under exchange transactions - current	114,774	122,923	252,146	240,184
Total current payables	126,708	133,628	263,532	250,673
Total creditors and other payables	**126,708**	**133,628**	**263,532**	**250,673**

Commentary / Korerotanga

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and settled on terms varying between seven days and the 20th of the month following the invoice date. Most of the Council's payables are exchange transactions as they are directly with another party on an arm's-length basis and are of approximate equal value. Non-exchange payables are classified as either transfers payable (for example, Council grants) or taxes (for example, PAYE).

Note 9. Income taxes

Accounting Policy / Kaupapahere Kaute

Income tax on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the reporting date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

9.1 Components of tax expense

	Parent		Group	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Current tax expense / (income)	-	-	46,729	10,132
Adjustments to current tax of prior years	-	2	(3,894)	(3,469)
Deferred tax expense / (income)	28	(550)	(14,188)	35,204
Increase in deferred tax on buildings	-	-	-	66,719
Deferred tax expense relating to use of prior year losses	-	-	(2,154)	(875)
Total tax expense / (income)	**28**	**(548)**	**26,493**	**107,711**
Surplus/ (deficit) before tax*	62,624	43,523	247,830	117,536
Income tax expense at 28%*	17,535	12,186	69,392	32,910
Non-deductible expenses	314,335	302,299	319,225	309,294
Non-assessable income and non-deductible items*	(331,870)	(314,485)	(318,526)	(301,134)
Deferred tax recognised	28	(548)	(30,658)	4,468
Increase in deferred tax on buildings	-	-	-	66,719
Previously unrecognised and unused tax losses	-	-	-	1,795
(Over) / under provision of income tax in previous year	-	-	(50)	(3,894)
Other	-	-	(12,890)	(2,447)
	28	**(548)**	**26,493**	**107,711**
Income tax recognised in other comprehensive income				
Deferred tax				
Asset revaluations	-	(450)	(33,170)	(29,016)
Revaluations of financial instruments treated as cash flow hedges	-	-	18,778	5,750
	-	**(450)**	**(14,392)**	**(23,266)**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

Note 9. Income taxes (continued)

Commentary / Korerotanga

The tax rate in the above reconciliation is the corporate tax rate of 28 per cent (2024: 28 per cent) payable by New Zealand companies on taxable profits under New Zealand tax law.

The Parent is a member of the CCC Tax Group. The tax group includes Christchurch City Council, Christchurch City Holdings Limited, Te Kaha Project Delivery Limited and Venue Ōtautahi Limited.

During the year, the CCC Tax group distributed $47.1 million of tax losses and received $18.3 million of subvention payments from Enable Networks Limited, Lyttelton Port Company Limited as representative member of Lyttelton Port Group, Civic Building Limited, Eco Central Limited, City Care Limited as representative of City Care Group, Christchurch International Airport Limited, Orion New Zealand Limited as representative member of Orion NZ Group, RBL Property Limited and Development Christchurch Limited.

Of the $18.3 million of subvention payments made within the group, $16.3 million were paid to CCC.

9.2 Deferred tax balance

30 June 2025				**Parent**					**Group**
Charged to:	**Opening balance $'000**	**Net surplus and deficit $'000**	**Other compr. revenue and expense $'000**	**Closing balance $'000**	**Opening balance $'000**	**Net surplus and deficit $'000**	**Other compr. revenue and expense $'000**	**Acquired through business comb./ Prior period adj. $'000**	**Closing balance $'000**
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	20,153	-	(18,761)	(1,363)	29
Property, plant and equipment	3,863	(189)	-	3,674	583,577	(5,290)	33,167	-	611,454
Intangible assets	-	-	-	-	7,170	(360)	3	-	6,813
Other	(2)	2	-	-	80,696	4,608	-	2,565	87,869
Total deferred tax liabilities	**3,861**	**(187)**	**-**	**3,674**	**691,596**	**(1,042)**	**14,409**	**1,202**	**706,165**
Deferred tax assets:									
Cashflow/Fair value hedges	-	-	-	-	1,191	(1,363)	17	2,566	2,411
Property, plant and equipment	-	-	-	-	13,401	(10,397)	-	-	3,004
Intangible assets	-	-	-	-	464	-	-	-	464
Provisions and employee entitlements	-	-	-	-	11,638	(432)	-	-	11,206
Doubtful debts and impairment losses	-	-	-	-	53	59	-	-	112
Tax losses	2,355	(217)	-	2,138	(10,679)	27,909	-	(14,292)	2,938
Other	-	-	-	-	3,067	(476)	-	-	2,591
Total deferred tax assets	**2,355**	**(217)**	**-**	**2,138**	**19,135**	**15,300**	**17**	**(11,726)**	**22,726**
Net deferred tax liability/ (asset)	**1,506**	**30**	**-**	**1,536**	**672,461**	**(16,342)**	**14,392**	**12,928**	**683,439**

Note 9. Income taxes (continued)

30 June 2024				Parent					Group
Charged to:	Opening balance $'000	Net surplus and deficit $'000	Other compr. revenue and expense $'000	Closing balance $'000	Opening balance $'000	Net surplus and deficit $'000	Other compr. revenue and expense $'000	Acquired through business comb./ Prior period adj. $'000	Closing balance $'000
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	24,732	164	(4,743)	-	20,153
Property, plant and equipment	3,522	(109)	450	3,863	526,391	28,170	29,016	-	583,577
Intangible assets	-	-	-	-	7,353	(183)	-	-	7,170
Other	-	(2)	-	(2)	47,191	33,505	-	-	80,696
Total deferred tax liabilities	**3,522**	**(111)**	**450**	**3,861**	**605,667**	**61,656**	**24,273**	**-**	**691,596**
Deferred tax assets:									
Cashflow/Fair value hedges	-	-	-	-	184	-	1,007	-	1,191
Property, plant and equipment	-	-	-	-	26,284	(12,883)	-	-	13,401
Intangible assets	-	-	-	-	464	-	-	-	464
Provisions and employee entitlements	-	-	-	-	11,051	609	-	(22)	11,638
Doubtful debts and impairment losses	-	-	-	-	57	(4)	-	-	53
Tax losses	1,916	439	-	2,355	10,028	(26,896)	-	6,189	(10,679)
Other	-	-	-	-	3,285	(218)	-	-	3,067
Total deferred tax assets	**1,916**	**439**	**-**	**2,355**	**51,353**	**(39,392)**	**1,007**	**6,167**	**19,135**
Net deferred tax liabilty / (asset)	**1,606**	**(550)**	**450**	**1,506**	**554,314**	**101,048**	**23,266**	**(6,167)**	**672,461**

Note 10. Property, plant and equipment

The property, plant and equipment of the Council and the Council Group are classified into three categories:
- Operational assets – including land and buildings, library books, plant and equipment, motor vehicles and furniture and fittings
- Infrastructure assets – including fixed utility systems, each asset class includes all items that are required for the network to function
- Restricted assets – including parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions

Property, plant and equipment
Property, plant and equipment is recorded at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation (if applicable) **or** at historical cost less depreciation (if applicable).

Property, plant and equipment held at fair value includes land (excluding land under roads), buildings, electricity distribution network, airport sealed surfaces, marine structures, Infrastructure assets, heritage assets and works of art assets.

All other property, plant and equipment including land under roads is stated at historical cost less depreciation.

Revaluation
Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

For assets being revalued, the total accumulated depreciation prior to the date of valuation is transferred to the gross carrying amount of the asset. The new carrying value amount is then restated to the new revalued amount of the asset.

Cost
Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Capital expenditure
Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Operating expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

Additions
The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Note 10. Property, plant and equipment (continued)

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Disposals
Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation
Bare land and library books in the New Zealand Room Collection are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Net asset value
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 - Impairment of Cash-Generating Assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date in accordance with the requirements of PBE IPSAS 17 – Property, Plant and Equipment.

Impairment
For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Property, plant and equipment measured at fair value however is reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Restrictions
Land and buildings in the "Restricted Asset" category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the assets can be used).

Leasing
The net carrying amount of plant and equipment held under finance leases is $176 million (2024: $178 million). Note 22 provides further information about finance leases.

Note 10. Property, plant and equipment (continued)

Useful life

The following table highlights the useful life of property plant and equipment, confirmed through the valuation process, which drives the depreciation charge for each asset category and asset class.

Operational and restricted assets Category	Estimated Useful Life (years)	Infrastructure assets Category	Estimated Useful Life (years)
Buildings	2-100	Formation and sub-base	Indefinite
Computer and other equipment	1-20	Formation and sub-base (pre-1956)	40-120
Mobile plant including vehicles	2-30	Basecourse	40-120
Buses	17-26	Surface	2-40
Sealed surfaces (other than roads)	9-100	Kerb and channel	40-80
Container cranes	30	Footpaths and cycleways	20-80
Harbour structures	3-100	Retaining walls	20-50
Seawalls	50-100	Bridges	100
Telecommunications infrastructure	5-50	Other transportation assets	5-120
Electricity distribution system	60	Water supply	2-130
Electricity load control equipment	60	Stormwater	15-150
Leasehold land improvements	5-100	Sewer	5-150
Land improvements	10-115		
Library books	3-8		
Library books (NZ room collection)	Indefinite		
Vessels	5-25		
Art works	1000		
Heritage assets	1000		

Note 10. Property, plant and equipment (continued)

10.1 Property, plant and equipment (Parent)

Parent 2025		Opening balances			Current year	Closing balances		
		Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000	Net movements $'000	Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000
Operational assets								
Freehold land	FV	724,902	-	724,902	3,090	727,992	-	727,992
Park improvements	FV	44,413	(114)	44,299	2,168	51,084	(4,617)	46,467
Buildings	FV	1,337,643	(5,194)	1,332,449	46,334	1,413,722	(34,939)	1,378,783
Plant & equipment	Cost	147,784	(110,054)	37,730	5,788	163,139	(119,621)	43,518
Landfill	Cost	8,217	(8,217)	-	-	8,217	(8,217)	-
Library books	Cost	148,800	(135,847)	12,953	81	152,860	(139,826)	13,034
Work in progress	Cost	576,030	-	576,030	160,505	736,535	-	736,535
		2,987,789	**(259,426)**	**2,728,363**	**217,966**	**3,253,549**	**(307,220)**	**2,946,329**
Infrastructure assets								
Transportation	FV	2,891,585	(157,258)	2,734,327	117,111	2,851,523	(85)	2,851,438
Land under road	Cost	441,428	-	441,428	2,337	443,765	-	443,765
Waste water	FV	3,476,516	(98,535)	3,377,981	(62,244)	3,507,125	(191,388)	3,315,737
Water supply	FV	2,140,406	(48,848)	2,091,558	3,674	2,193,301	(98,069)	2,095,232
Storm water	FV	2,404,103	(33,858)	2,370,245	22,000	2,460,166	(67,921)	2,392,245
Work in progress	Cost	244,877	-	244,877	(20,471)	224,406	-	224,406
		11,598,915	**(338,499)**	**11,260,416**	**62,407**	**11,680,286**	**(357,463)**	**11,322,823**
Restricted assets								
Land	FV	1,253,844	-	1,253,844	44,091	1,297,935	-	1,297,935
Park improvements	FV	406,561	(170)	406,391	(3,372)	431,783	(28,764)	403,019
Buildings	FV	23,972	-	23,972	2,930	27,577	(675)	26,902
Marine structure	FV	47,141	(7,375)	39,766	10,443	50,209	-	50,209
Artworks	FV	111,699	(222)	111,477	15,914	127,725	(334)	127,391
Heritage assets	FV	25,721	(261)	25,460	81	25,829	(288)	25,541
Public art	FV	17,098	(55)	17,043	204	17,320	(73)	17,247
Library books	Cost	9,095	-	9,095	46	9,141	-	9,141
Work in progress	Cost	39,049	-	39,049	18,429	57,478	-	57,478
		1,934,180	**(8,083)**	**1,926,097**	**88,766**	**2,044,997**	**(30,134)**	**2,014,863**
Total Parent PPE		**16,520,884**	**(606,008)**	**15,914,876**	**369,139**	**16,978,832**	**(694,817)**	**16,284,015**

Note 10. Property, plant and equipment (continued)

Parent 2025		Current year movements						
		Additions $'000	Net disposals / Transfers * $'000	Net Impairment** $'000	Net movement in WIP $'000	Depreciation $'000	Revaluation movement $'000	Net current year movements $'000
Operational assets								
Freehold land	FV	6,473	(3,383)	-	-	-	-	3,090
Park improvements	FV	6,670	-	-	-	(4,502)	-	2,168
Buildings	FV	89,651	(3,710)	(8,174)	-	(31,433)	-	46,334
Plant & equipment	Cost	17,310	(61)	-	-	(11,461)	-	5,788
Library books	Cost	4,060	-	-	-	(3,979)	-	81
Work in progress	Cost	-	-	-	160,505	-	-	160,505
		124,164	**(7,154)**	**(8,174)**	**160,505**	**(51,375)**	**-**	**217,966**
Infrastructure assets								
Transportation	FV	173,579	(1,175)	-	-	(82,845)	27,552	117,111
Land under road	Cost	2,349	(12)	-	-	-	-	2,337
Waste water	FV	34,013	(3,214)	-	-	(93,043)	-	(62,244)
Water supply	FV	60,795	(7,464)	-	-	(49,657)	-	3,674
Storm water	FV	58,914	(2,719)	-	-	(34,195)	-	22,000
Work in progress	Cost	-	(4,074)	-	(16,397)	-	-	(20,471)
		329,650	**(18,658)**	**-**	**(16,397)**	**(259,740)**	**27,552**	**62,407**
Restricted assets								
Land	FV	45,217	(1,126)	-	-	-	-	44,091
Park improvements	FV	25,181	-	-	-	(28,553)	-	(3,372)
Buildings	FV	1,537	-	2,068	-	(675)	-	2,930
Marine structure	FV	6,313	-	-	-	(2,393)	6,523	10,443
Artworks	FV	227	-	-	-	(112)	15,799	15,914
Heritage assets	FV	107	-	-	-	(26)	-	81
Public art	FV	221	-	-	-	(17)	-	204
Library books	Cost	46	-	-	-	-	-	46
Work in progress	Cost	-	-	-	18,429	-	-	18,429
		78,849	**(1,126)**	**2,068**	**18,429**	**(31,776)**	**22,322**	**88,766**
Total Parent PPE		**532,663**	**(26,938)**	**(6,106)**	**162,537**	**(342,891)**	**49,874**	**369,139**

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

** Net impairment includes impairment charged to OCRE of $8.4M and impairment reversed of $2.3M during the 2025 financial year.

Note 10. Property, plant and equipment (continued)

Parent 2024		Opening balances			Current year	Closing balances		
		Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000	Net movements $'000	Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000
Operational assets								
Freehold land	FV	713,170	-	713,170	11,732	724,902	-	724,902
Park improvements	FV	41,133	(5,693)	35,440	8,859	44,413	(114)	44,299
Buildings	FV	1,248,992	(32,498)	1,216,494	115,955	1,337,643	(5,194)	1,332,449
Plant & equipment	Cost	127,074	(101,816)	25,258	12,472	147,784	(110,054)	37,730
Landfill	Cost	8,217	(8,217)	-	-	8,217	(8,217)	-
Library books	Cost	144,129	(131,814)	12,315	638	148,800	(135,847)	12,953
Work in progress	Cost	368,945	-	368,945	207,085	576,030	-	576,030
		2,651,660	**(280,038)**	**2,371,622**	**356,741**	**2,987,789**	**(259,426)**	**2,728,363**
Infrastructure assets								
Transportation	FV	2,755,184	(76,963)	2,678,221	56,106	2,891,585	(157,258)	2,734,327
Land under road	Cost	438,065	-	438,065	3,363	441,428	-	441,428
Waste water	FV	3,415,184	(6,263)	3,408,921	(30,940)	3,476,516	(98,535)	3,377,981
Water supply	FV	2,046,466	(164)	2,046,302	45,256	2,140,406	(48,848)	2,091,558
Storm water	FV	2,356,761	(89)	2,356,672	13,573	2,404,103	(33,858)	2,370,245
Work in progress	Cost	274,889	-	274,889	(30,012)	244,877	-	244,877
		11,286,549	**(83,479)**	**11,203,070**	**57,346**	**11,598,915**	**(338,499)**	**11,260,416**
Restricted assets								
Land	FV	1,243,016	-	1,243,016	10,828	1,253,844	-	1,253,844
Park improvements	FV	377,814	(45,353)	332,461	73,930	406,561	(170)	406,391
Buildings	FV	20,425	(573)	19,852	4,120	23,972	-	23,972
Marine structure	FV	46,546	(4,880)	41,666	(1,900)	47,141	(7,375)	39,766
Artworks	FV	110,739	(110)	110,629	848	111,699	(222)	111,477
Heritage assets	FV	23,664	(236)	23,428	2,032	25,721	(261)	25,460
Public art	FV	17,053	(38)	17,015	28	17,098	(55)	17,043
Library books	Cost	11,646	-	11,646	(2,551)	9,095	-	9,095
Work in progress	Cost	31,883	-	31,883	7,166	39,049	-	39,049
		1,882,786	**(51,190)**	**1,831,596**	**94,501**	**1,934,180**	**(8,083)**	**1,926,097**
Total Parent PPE		**15,820,995**	**(414,707)**	**15,406,288**	**508,588**	**16,520,884**	**(606,008)**	**15,914,876**

Note 10. Property, plant and equipment (continued)

Parent 2024		Current year movements						
		Additions $'000	Net disposals/ Transfers* $'000	Impairment charged to surplus $'000	Net movement in WIP $'000	Depreciation $'000	Revaluation movement $'000	Net current year movements $'000
Operational assets								
Freehold land	FV	898	(14,929)	-	-	-	25,763	11,732
Park improvements	FV	3,035	-	-	-	(2,964)	8,788	8,859
Buildings	FV	66,037	(2,350)	-	-	(28,392)	80,660	115,955
Plant & equipment	Cost	21,257	-	-	-	(8,785)	-	12,472
Library books	Cost	3,983	687	-	-	(4,032)	-	638
Work in progress	Cost	-	4,168	-	202,917	-	-	207,085
		95,210	**(12,424)**	**-**	**202,917**	**(44,173)**	**115,211**	**356,741**
Infrastructure assets								
Transportation	FV	136,495	(170)	-	-	(80,219)	-	56,106
Land under road	Cost	3,392	(29)	-	-	-	-	3,363
Waste water	FV	72,447	(10,969)	-	-	(92,418)	-	(30,940)
Water supply	FV	112,774	(18,589)	-	-	(48,929)	-	45,256
Storm water	FV	50,366	(2,996)	-	-	(33,797)	-	13,573
Work in progress	Cost	-	-	-	(30,012)	-	-	(30,012)
		375,474	**(32,753)**	**-**	**(30,012)**	**(255,363)**	**-**	**57,346**
Restricted assets								
Land	FV	41,300	(710)	-	-	-	(29,762)	10,828
Park improvements	FV	28,589	(2,517)	-	-	(21,545)	69,403	73,930
Buildings	FV	44	-	-	-	(574)	4,650	4,120
Marine structure	FV	596	-	-	-	(2,496)	-	(1,900)
Artworks	FV	960	-	-	-	(112)	-	848
Heritage assets	FV	2,102	(45)	-	-	(25)	-	2,032
Public art	FV	-	45	-	-	(17)	-	28
Library books	Cost	51	(2,602)	-	-	-	-	(2,551)
Work in progress	Cost	-	-	-	7,166	-	-	7,166
		73,642	**(5,829)**	**-**	**7,166**	**(24,769)**	**44,291**	**94,501**
Total Parent PPE		**544,326**	**(51,006)**	**-**	**180,071**	**(324,305)**	**159,502**	**508,588**

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

Note 10. Property, plant and equipment (continued)

10.2 Work in Progress

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Waste water	62,292	31,541	62,292	31,541
Water supply	29,813	32,907	29,813	32,907
Storm water	58,556	73,048	58,556	73,048
Transportation	73,745	107,381	73,745	107,381
Total infrastructural	**224,406**	**244,877**	**224,406**	**244,877**
Building - operational	736,535	576,030	736,535	576,030
Building - restricted	57,478	39,049	57,478	39,049
Other - operational	-	-	161,733	143,604
Total PPE work in progress	**1,018,419**	**859,956**	**1,180,152**	**1,003,560**

Commentary / Korerotanga

Major infrastructure projects within work in progress include the Akaroa Reclaimed Water Treatment and Reuse Scheme and the Riccarton Interceptor. Operational projects within work in progress include the Metro Sport Facility and One New Zealand Stadium at Te Kaha.

Work continued across the Group updating infrastructure assets including the fibre network and electrical reticulation.

10.3 Core Assets (Parent)

2025

	Closing Book Value $'000	Assets constructed for the year $'000	Assets transferred for the year $'000	Replacement Cost as at year end $'000
Treatment plants	309,485	6,843	-	669,335
Reticulation	3,006,252	24,244	2,926	5,713,010
Waste water	**3,315,737**	**31,087**	**2,926**	**6,382,345**
Treatment plants	6,219	185	-	15,010
Reticulation	2,089,013	57,894	2,716	3,803,833
Water supply	**2,095,232**	**58,079**	**2,716**	**3,818,843**
Storm water drainage	2,221,217	26,591	6,451	2,853,513
Flood protection and control works	171,028	25,872	-	191,373
Stormwater	**2,392,245**	**52,463**	**6,451**	**3,044,886**
Transportation	2,851,438	162,448	11,131	5,972,942
Total infrastructure assets	**10,654,652**	**304,077**	**23,224**	**19,219,016**

Note 10. Property, plant and equipment (continued)

2024

	Closing Book Value $'000	Assets constructed for the year $'000	Assets transferred for the year $'000	Replacement Cost as at year end $'000
Treatment plants	321,939	19,366	-	662,492
Reticulation	3,056,042	49,730	3,351	5,697,978
Waste water	**3,377,981**	**69,096**	**3,351**	**6,360,470**
Treatment plants	6,330	-	-	14,825
Reticulation	2,085,228	109,508	3,266	3,770,331
Water supply	**2,091,558**	**109,508**	**3,266**	**3,785,156**
Storm water drainage	2,213,867	7,866	20,789	2,824,487
Flood protection and control works	156,378	21,711	-	165,501
Stormwater	**2,370,245**	**29,577**	**20,789**	**2,989,988**
Transportation	2,734,327	118,492	18,003	5,029,338
Total infrastructure assets	**10,574,111**	**326,673**	**45,409**	**18,164,952**

Commentary / Korerotanga

The Parent completed the construction of $298.7 million (2024: $325.2 million) relating to its core infrastructure and received a further $23.2 million (2024: $45.4 million) of vested assets. These assets are carried at their net book value using their respective historical costs or deemed costs as revalued.

The replacement cost is based on the replacement cost estimate at the last valuation of the asset class. This includes water supply, wastewater and stormwater (all revalued in 2023), and roads and footpaths (revalued in 2025). The cost also accounts for any assets that have been constructed or transferred since these revaluation dates.

10.4 Revaluations and review for impairment (Parent)

Three Waters

Revaluation date: 30 June 2023
Independent valuer: WSP New Zealand
Valuation methodology: Optimum Depreciated replacement cost (ODRC) method in accordance with PBE IPSAS 17

Key valuation assumptions
The ODRC was calculated using the following assumption:

-The unit cost rates for valuing the three water assets reflect an average cost rate for local constructions. Where there has been recent construction / renewal activity, the actual construction costs are used in place of the existing average rates.

- A minimum asset life of three years for assets with expected total useful life of less or equal to 30 years, and a minimum asset life of 10% of asset expected total useful life for assets with expected useful life greater than 30 years and capped at five years.

- Earthworks for wastewater lift & monitoring stations and stormwater channel linings have been assigned a residual value of 100% and 80% respectively. A residual value of 50% of programming fees has been allowed for Water supply Human Machine Interface (HMI) assets. A residual value of 0% has been adopted for all other water assets.

- If no age or condition information is given the asset is assumed to be halfway through its expected life.

Note 10. Property, plant and equipment (continued)

Sensitivity analysis

Assumption change	Valuation movement up $'000	Valuation movement down $'000
Wastewater +/- 5%	165,787	(165,787)
Water supply +/- 5%	104,762	(104,762)
Storm water +/- 5%	119,612	(119,612)
Wastewater CGPI 5.18% since last valuation	171,615	-
Water supply CGPI 5.05% since last valuation	105,809	-
Storm water CGPI 5.18% since last valuation	123,817	-

Land and buildings

Revaluation date: 30 June 2024
Independent valuer: William Blake Val Prof (Urb), ANZIV, FPINZ of Bayleys Valuations Ltd
Valuation methodology: Specialised structure: Estimated cost less depreciation
Other land and buildings: Market value

Key valuation assumptions

- For most assets market values are determined by reference to the active market for real estate that is traded frequently in the open market.

- Specialised structures such as the community centres, public toilets, sports facilities, and some heritage items are valued at estimated cost less depreciation due to an absence of market.

- Specialised land, which is held for public benefits such as parks and reserves, reference has been made to the closest asset class for which there is observable data. Adjustments are necessary to account for locational preference.

Sensitivity analysis

Assumption change	Valuation movement up $'000	Valuation movement down $'000
Land +/- 5%	101,296	(101,296)
Buildings +/- 5%	70,284	(70,284)

Transportation

Revaluation date: 30 June 2025
Independent valuer: Beca Limited
Valuation methodology: Optimised depreciated replacement cost (ODRC) method in accordance with PBE IPSAS 17

Key valuation assumptions

- Unit rates used in the 2022 valuation were updated using Waka Kotahi cost adjustment factors and assessed against recent construction schedules where available.
- The standard replacement cost unit rates from 2022 have been increased or decreased according to the NZ Transport Agency Waka Kotahi infrastructure indices. The indexed rates were then reviewed against current and recent example contract rates and cost data provided by CCC, as well as benchmarking against other similar New Zealand Road Controlling Authorities. This ensures the rates being used are reflective of typical market rates.
- No condition data has been used to adjust Remaining Useful Life as part of this valuation.

Note 10. Property, plant and equipment (continued)

Sensitivity analysis

Assumption change	Valuation movement up $'000	Valuation movement down $'000
Roads and footpaths +/- 5%	142,572	(142,572)

Park improvements

Revaluation date: 30 June 2024
Independent valuer: Internal valuation as per previous year's methodology
Valuation methodology: Optimised depreciated replacement cost

Marine structures

Revaluation date: 30 June 2025
Independent valuer: Beca Limited
Valuation methodology: Optimised depreciated replacement cost (ODRC) method in accordance with PBE IPSAS 17

Public Art

Revaluation date: 30 June 2021
Independent valuer: Ben Plumbly, Director of Art at Art + Object Limited
Valuation methodology: Fair market value

Heritage Assets

Revaluation date: 30 June 2009
Independent valuer: Plant & Machinery Valuers Limited and Dunbar Sloane Limited
Valuation methodology: Depreciated reproduction cost

Artworks

Revaluation date: 30 June 2025
Independent valuer: Art+Object
Valuation methodology: Fair Market Value

Accounting for earthquake damage

Accounting standards require that when an asset has been destroyed it should be de-recognised or written off. Similarly, where there is an indication that the value of an asset as recorded in the financial statements is greater than its actual value, the value of that asset must be reduced (this is known as impairment).

Recognition of impaired assets in these financial statements

The table below details the impairment / (impairment reversals) that have been taken against property plant and equipment since the earthquakes.

	Total $'000	Released Prior Years $'000	Released Current Year $'000	Outstanding $'000
Buildings / facilities	150,416	(126,495)	(2,276)	21,645
Impairments	**150,416**	**(126,495)**	**(2,276)**	**21,645**

Note 10. Property, plant and equipment (continued)

Buildings / Facilities
In the years following the 2010/11 earthquake sequence an impairment was recognised on land and buildings of approximately $142 million. As the impacted land and buildings have been revalued the impairment has been released. There remains only two buildings with impairments that have not been valued during the normal revaluation cycle.

The impairment of the affected buildings was recognised by reducing the value of the assets in the Parent's financial statements and by reducing the value of the Parent's asset revaluation reserves by an equal amount.

The impairment will be reversed when the buildings are revalued or if repairs are expensed. $21.6million of impairment remains at 30 June 2025 (2024: $15.3 million).

Trickling Filters
In November 2021, the two trickling filters located at the Council's Bromley Wastewater Treatment Plant suffered significant damage as a result of a fire. The fire has had a significant impact on the Council's ability to process waste water in Christchurch.

The plant and equipment associated with the trickling filters has been assessed for damage resulting in a large portion of the assets associated with the trickling filters being impaired in particular the media within the silos.

The trickling filters are a component of the waste water infrastructure class of property, plant and equipment. The waste water class has sufficient valuation gains to cover the cost of the impairment and therefore no impairment expense has been recognised in the statement of financial performance.

10.5 Insurance of assets (Parent)

	30 June 2025 $'000	30 June 2024 $'000
Total Book Value of PPE	16,284,015	15,914,876
less assets (primarily land) unable to be insured	(3,044,346)	(2,838,701)
less assets excluded from insurance contracts (refer commentary 1)	(2,851,438)	(2,734,327)
Book Value of assets covered by insurance contracts	**10,388,231**	**10,341,848**

	Insured Value	Insurance Cover Limit
Underground infrastructure assets (refer commentary 2)	12,723,312	580,000
Above Ground infrastructure assets (refer commentary 3)	1,447,076	-
Buildings excluding social housing (refer commentary 3)	2,124,184	-
	3,571,260	1,500,000
Social Housing	658,805	658,805
Other operational assets	254,622	254,622
	17,207,999	**2,993,427**

Note 10. Property, plant and equipment (continued)

Commentary / Korerotanga

Insurance cover

1. Council's transport network assets are not covered by insurance, instead Council relies on NZTA funding for the restoration of qualifying assets.

2. Council currently insures a 40% share of the cover limit of $1.5 billion per event. Currently central government would contribute 60% towards the restoration of essential below ground infrastructure, subject to eligibility considerations.

3. Council carries out loss modelling which considers the insured value and various return period events to determine an appropriate level of insurance required. The most recent modelling was carried out in 2024 and indicated that a $1.5 billion cover limit was sufficient to meet the losses involved in a 1:10,000 year event.

10.6 Property, plant and equipment (Group)

Group 2025		Opening balances			Current year	Closing balances		
		Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000	Net movements $'000	Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000
Operational assets								
Freehold land	FV	1,593,906	(11,555)	1,582,351	30,893	1,607,102	6,142	1,613,244
Park improvements	FV	44,413	(114)	44,299	2,168	51,084	(4,617)	46,467
Buildings	FV	2,522,273	(297,927)	2,224,346	79,536	2,635,910	(332,028)	2,303,882
Plant & equipment	Cost	720,317	(506,462)	213,855	(73,778)	768,658	(628,581)	140,077
Electricity distribution	FV	1,648,606	(211,601)	1,437,005	88,657	1,793,435	(267,773)	1,525,662
Airport infrastructure	FV	602,096	(57,856)	544,240	8,290	597,208	(44,678)	552,530
Harbour structures	FV	366,732	(161,259)	205,473	125,529	598,008	(267,006)	331,002
Optical fibre network	FV	891,718	(77,506)	814,212	29,999	925,163	(80,952)	844,211
Landfill	Cost	8,271	(8,271)	-	-	8,271	(8,271)	-
Library books	Cost	147,917	(135,849)	12,068	81	151,977	(139,828)	12,149
Work in progress	Cost	719,634	-	719,634	175,083	894,717	-	894,717
		9,265,883	**(1,468,400)**	**7,797,483**	**466,458**	**10,031,533**	**(1,767,592)**	**8,263,941**
Infrastructure assets		11,602,784	(338,500)	11,264,284	62,406	11,684,154	(357,464)	11,326,690
Restricted assets		1,934,180	(8,083)	1,926,097	88,766	2,044,997	(30,134)	2,014,863
Total Group PPE		**22,802,847**	**(1,814,983)**	**20,987,864**	**617,630**	**23,760,684**	**(2,155,190)**	**21,605,494**

Note 10. Property, plant and equipment (continued)

Group 2024		Opening balances			Current year	Closing balances		
		Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000	Net movements $'000	Cost/ valuation $'000	Accumulated depreciation $'000	Carrying amount $'000
Operational assets								
Freehold land	FV	1,556,104	(12,070)	1,544,034	38,317	1,593,906	(11,555)	1,582,351
Park improvements	FV	41,133	(5,693)	35,440	8,859	44,413	(114)	44,299
Buildings	FV	2,359,403	(289,920)	2,069,483	154,863	2,522,273	(297,927)	2,224,346
Plant & equipment	Cost	658,701	(471,945)	186,756	27,099	720,317	(506,462)	213,855
Electricity distribution	FV	1,523,320	(212,015)	1,311,305	125,700	1,648,606	(211,601)	1,437,005
Airport infrastructure	FV	570,414	(44,678)	525,736	18,504	602,096	(57,856)	544,240
Harbour structures	FV	330,179	(153,871)	176,308	29,165	366,732	(161,259)	205,473
Optical fibre network	FV	851,208	(71,996)	779,212	35,000	891,718	(77,506)	814,212
Landfill	Cost	8,271	(8,271)	-	-	8,271	(8,271)	-
Library books	Cost	143,246	(131,816)	11,430	638	147,917	(135,849)	12,068
Work in progress	Cost	580,800	-	580,800	138,834	719,634	-	719,634
		8,622,779	**(1,402,275)**	**7,220,504**	**576,979**	**9,265,883**	**(1,468,400)**	**7,797,483**
Infrastructure assets		11,290,419	(83,480)	11,206,939	57,345	11,602,784	(338,500)	11,264,284
Restricted assets		1,882,786	(51,190)	1,831,596	94,501	1,934,180	(8,083)	1,926,097
Total Group PPE		**21,795,984**	**(1,536,945)**	**20,259,039**	**728,825**	**22,802,847**	**(1,814,983)**	**20,987,864**

Note 10. Property, plant and equipment (continued)

Group 2025		Current year movements						
		Additions $'000	Net disposals/ Transfers* $'000	Net Impairment $'000	Net movement in WIP $'000	Depreciation $'000	Revaluation movement $'000	Net current year movements $'000
Operational assets								
Freehold land	FV	7,941	2,946	88	-	(12)	19,932	30,895
Park improvements	FV	6,670	-	-	-	(4,502)	-	2,168
Buildings	FV	102,642	(7,195)	(8,241)	1,055	(78,092)	69,367	79,536
Plant & equipment	Cost	47,124	(80,265)	-	-	(41,638)	1,000	(73,779)
Electricity distribution	FV	145,000	(171)	-	-	(56,172)	-	88,657
Airport infrastructure	FV	-	7,547	-	-	(14,423)	15,166	8,290
Harbour structures	FV	1,908	88,819	8,336	-	(7,700)	34,166	125,529
Optical fibre network	FV	-	36,587	-	-	(26,130)	19,542	29,999
Library books	Cost	4,060	-	-	-	(3,979)	-	81
Work in progress	Cost	59,181	(54,719)	11,170	159,450	-	-	175,082
		374,526	**(6,451)**	**11,353**	**160,505**	**(232,648)**	**159,173**	**466,458**
Infrastructure assets		329,650	(18,659)	-	(16,397)	(259,740)	27,552	62,406
Restricted assets		78,849	(1,126)	2,068	18,429	(31,776)	22,322	88,766
Total Group PPE		**783,025**	**(26,236)**	**13,421**	**162,537**	**(524,164)**	**209,047**	**617,630**

Note 10. Property, plant and equipment (continued)

Group 2024		Current year movements						
		Additions $'000	Net disposals/ Transfers* $'000	Impairment charged to surplus $'000	Net movement in WIP $'000	Depreciation $'000	Revaluation movement $'000	Net current year movements $'000
Operational assets								
Freehold land	FV	1,917	(21,742)	-	-	(6)	58,148	38,317
Park improvements	FV	3,035	-	-	-	(2,964)	8,788	8,859
Buildings	FV	82,034	42,112	(419)	(8)	(72,009)	103,153	154,863
Plant & equipment	Cost	48,255	33,736	(4,335)	87	(50,644)	-	27,099
Electricity distribution	FV	123,226	(1,326)	(96)	(10,483)	(51,382)	65,761	125,700
Airport infrastructure	FV	-	16,612	-	-	(14,232)	16,124	18,504
Harbour structures	FV	7,780	28,797	-	-	(7,412)	-	29,165
Optical fibre network	FV	-	33,890	-	-	(23,770)	24,880	35,000
Library books	Cost	3,983	687	-	-	(4,032)	-	638
Work in progress	Cost	94,050	(168,156)	-	212,940	-	-	138,834
		364,280	**(35,390)**	**(4,850)**	**202,536**	**(226,451)**	**276,854**	**576,979**
Infrastructure assets		375,474	(32,753)	-	(30,012)	(255,363)	(2)	57,344
Restricted assets		73,642	(5,829)	-	7,166	(24,769)	44,291	94,501
Total Group PPE		**813,396**	**(73,972)**	**(4,850)**	**179,690**	**(506,583)**	**321,143**	**728,824**

De-recognition of impairments at a group level

The Parent has unrealised revaluation gains in the land and buildings asset classes and pursuant to PBE IPSAS 17, impairment losses within the Group relating to land and buildings are able to be offset against these gains.

Note 10. Property, plant and equipment (continued)

10.7 Revaluations and review for impairment (Group)

Below is a summary of valuation information for Council's subsidiaries. Detailed valuation assumptions, methodologies and discount rates can be found in the individual financial statements for the subsidiaries.

CCHL Group

Fair value and revaluation

Valuations are performed with sufficient regularity to ensure that the fair value of the assets does not vary materially from their carrying value.

Any revaluation increase arising on the revaluation of these assets is credited to the asset revaluation reserve included in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense through profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of these assets is charged as an expense through profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset, except for harbour structures where accumulated depreciation is not eliminated.

Additions are recorded at historical cost less depreciation until the next revaluation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

When measuring the fair value of property, plant and equipment held by the Group, the Group uses observable market data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A summary of the fair value consideration of assets valued by external independent valuers significant to the carrying value is provided below.

Note 10. Property, plant and equipment (continued)

Christchurch International Airport Ltd

CIAL's land, terminal buildings, other buildings and airport infrastructure assets are recorded at fair value and, in the absence of significant observable inputs, are classified as Level 3 within the fair value hierarchy.

Terminal buildings comprise terminal facilities, other buildings comprise commercial buildings and hotel business assets, and airport infrastructure assets comprise sealed surfaces, infrastructure and car parking.

At each reporting date CIAL assesses whether the carrying value of each asset class differs materially from the fair value and consequently determines if a revaluation is required.

Commercial buildings were last valued at 30 June 2022 by independent valuer Crighton Adnerson Property and Infrastructure Ltd trading as Colliers International Ltd.

Car parking and land assets were last valued at 30 June 2024 by independent valuer Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd.

The hotel business assets was last revalued in 2022 by CBRE. A fair value assessment of the hotel building asset was carried out by CBRE. It was decided that, notwithstanding the movements in discount rates and profitability a revaluation was not required and there was no indication of impairment.

At 30 June 2025 Sealed surfaces, terminal facilities and infrastructure assets were revalued by independent valuers WSP New Zealand Ltd.
The movements resulting from revaluations at 30 June were:

	2025 $'000	2024 $'000
Land	-	24,000
Terminal buildings	60,000	-
Sealed surfaces	61,000	-
Airport infrastructure assets	(46,000)	16,000
Total	75,000	40,000

The methods of valuation, key assumptions and sensitivities applied as at 30 June 2025 are summarised below:

Land
Includes land used for airport activities and specialised aeronautical assets and for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business (revalued 2024).

Note 10. Property, plant and equipment (continued)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Market value highest and best use approach, with an allowance being deducted to allow for services valued as infrastructure assets and for further costs required to achieve the required zoning. Land included in car parking, hotel and investment property categories are not included in this category.	Adopted rate per hectare average: Landside $469,000 (2022 $919,000)	+/-$19m (of a 5% change in adopted rate).	The critical elements in establishing the ‘highest and best use approach’ of land is the market rate prevailing for similar land: - An increase in demand for land will increase the fair value; - A decrease in demand will decrease the fair value.
Market value alternative use (MVAU) for airside e.g. elements of airfield land and valued on MVAU.	Average rated value is $125,000 per hectare (2022 $129,000 per hectare).	+/- $7m (of a 5% change in adopted rate	Critical elements in the MVAU calculation are: Rate per hectare - An increase to the rate would increase the fair value and decrease to the rate would reduce the fair value.

Terminal buildings
(revalued 2025)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost derived from modern equivalent asset rate.	Unit costs of construction square metre (sqm): Range of $3,632 - $5,842 (2023: $3,308 - $5,726) with weighted average of $4,678 (2023:$4,458).	+/- $18.4m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value.

Other buildings

Buildings
Buildings for identified airport activities, including offices spaces and storage that exist because of the airport activities (revalued 2022).

Note 10. Property, plant and equipment (continued)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Specialised buildings are valued by optimised depreciated replacement cost derived from modern equivalent asset rate. Buildings that are owned by CIAL that could be leased by a third party are valued on an income valuation approach similar to that used for Investment Properties.	Unit costs of construction sqm: Range of $504 – $4,604 (2021: $504 – $4,604) with weighted average of $1,130 (2021: $1,309)	+/- $1.7m (of a 5% change of cost estimate).	An increase in modern equivalent asset replacement cost will increase the fair value. A decrease in modern equivalent asset replacement will decrease the fair value. An increase in the cashflow from an asset will increase the fair value. A decrease in the cashflow from an asset will decrease the fair value.

Hotel business assets
Assets associated with the hotel, including land (revalued 2022).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow and income capitalisation rate approach performed by independent valuers based on forecast trading and capital expenditure estimates, and market evidence.	Discount rate 9.75% (2021: 9.25%) Income capitalisation rate 7.25% (2021: 7.0%)	+/- $3m for a change in discount rate by an absolute 0.5% +/- $3m for an absolute change in capitalisation rate of 0.25%	An increase in the discount rate used would decrease the fair value. A decrease in the discount rate would increase the fair value. An increase in the capitalisation rate will decrease the fair value. A decrease in the capitalisation rate will increase the fair value.

Airport infrastructure assets

Infrastructure and Sealed Surfaces
Infrastructure and sealed surfaces including site services (revalued 2025).

Note 10. Property, plant and equipment (continued)

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Optimised depreciated replacement cost – the cost of constructing equivalent asset at current market-based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and the sub optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Sealed Surfaces Unit costs of combined concrete and asphalt pavement construction sqm: Range of $358 – $635 (2023 $273 - $396) with weighted average of $507 (2023: $350). Infrastructure Unit costs of road and footpaths construction sqm: Range of $22 – $122 (2023 $20 - $124) with weighted average of $69 (2023: $81). Unit costs of water and drainage construction sqm: Range of $251 – $1,539 (2023: $256 – $1,574) with weighted average of $967 (2023: $612).	+/- $18.9m (of a 5% change of cost estimate).	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets: – An increase to any of the average cost rates listed above will increase the fair value; - A reduction in the estimated remaining useful life of the assets will reduce the fair value.

Car Parking
Assets associated with car parking, taxi, shuttle and bus services (including land) (revalued 2024).

Valuation approach	Key valuation assumptions	Valuation sensitivity	Relationship of Unobservable Inputs to Fair Value
Discounted cash flow valuation performed by independent valuers based on: Internal management information such as forecast future revenues, costs and capital expenditure. Assumptions such as the discount rate. These are based on management's judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth per annum 0.5% and 0.5% for the 10-year cashflow period from year 11 (2023: 0.5% and 0.5%). Cost growth per annum 2% for the 10-year cashflow period and 2% from year 11 (2023: 2% and 2%). Discount rate 8.9% post tax, 10-year cash flow period and 8.9% from year 11 (2023: 8.4% and 8.4%).	+/- $8.8m (of a 5% change in discount rate). +/- $0.8m (of a change in growth rate to either 0% or 1.0% for year 11 onwards).	An increase in vehicle numbers will increase the fair value. A decrease in vehicle numbers will decrease the fair value. An increase in the discount rate used would decrease the fair value. An increase in costs would decrease the fair value.

Note 10. Property, plant and equipment (continued)

Enable's Ultra-fast Broadband Network

Enable's ultra-fast broadband network is measured at fair value. The revaluation undertaken at 30 June 2025, based on a range provided by independent valuers Deloitte, resulted in a net increase of $20 million (2024: increase of $25 million) in the carrying value.

Deloitte and Enable management considered that the 10-year discounted cash flow (DCF) methodology was the most appropriate method of valuation for the ultra-fast broadband network.

The DCF methodology involved assessing:

- the future free cash flows of the business (excluding future expansionary capital expenditure and related revenue).
- a 10-year cash flow forecast with a terminal value determined by using either a Gordon Growth Model formula based on the FY34 projected free cash flows or a terminal Regulated Asset Base (RAB) multiple notionally assuming the assets are sold at the end of the 10 year period.
- discounting the cash flows using a discount rate based on weighted average cost of capital (WACC).
- whether there were any surplus assets.

The valuation of Enable's ultra-fast broadband network are sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below.

Assumption change	Valuation movement up $'000	Valuation movement down $'000	Relationship of Unobservable Inputs to Fair Value
Connections +/- 1%	16,000	16,000	The higher the connections rate, the higher the fair value.
Average revenue per user +/- 1%	16,000	16,000	The higher the average revenue per user, the higher the fair value.
WACC +/- 0.5%	78,000	66,000	The higher the WACC, the lower the fair value.

Note 10. Property, plant and equipment (continued)

LPC's property, plant and equipment

LPC's property, plant and equipment is measured at fair value with all classes of assets under the revaluation model considered part of one CGU, meaning they work together to generate cash flows. The port relies on the shipping channel; the inland ports are necessary for efficient operation; the marina, dry dock, and other inner harbour facilities are part of the CGU because they depend on the port's seawalls, breakwaters, and the support of other aspects of the port operations.

An internal fair value revaluation was performed as at 30 June 2025, and as a result of this revaluation $79m has been added to the carrying value of property, plant and equipment. A previous fair value reduction of $190.5m was recognised in 2020.

LPC values its assets using the income approach, based on future cash flows. This method is best because the assets are interdependent and cannot be valued separately, so a single enterprise valuation is used.

LPC does not fully recover its Enterprise Value (EV) under the cost methodology in NZ IFRS 13 Fair Value Measurement. The future cash flows, including expected profits and capital expenses, do not support valuing the assets using the Optimized Depreciated Replacement Cost (ODRC) method. Therefore, LPC uses the income approach as the best estimate of fair value for its fixed assets.

Certain assumptions are made for the EV model based on management's best estimates. Actual results and cash flow impacts could differ significantly.

The valuation does not include any major port expansions in the next 15 years. Volumes are capped at 560,000 twenty foot equivalent units (TEU). Cruise volumes are not expected to grow significantly.

A 15-year forecast period is used for cash flows, followed by a terminal value, due to the long-term nature of LPC's infrastructure. The expected net cash flows are discounted using a risk adjusted discount rate. The valuation is mainly driven by growth in container volume, margin improvement, capital expenditure, and the Weighted Average Cost of Capital (WACC) rate.

All LPC's property, plant and equipment are categorised as Level 3 in the fair value hierarchy.

Key assumptions	**Range of significant unobservable inputs**	
	2025	**2024**
EBITDA margin	32%-36%	28%-36%
-Revenue/expense inflation	2%-5%	2%-4.5%
Container TEU growth rate	2.4%-2.9%	2.7%-3.2%
-Container pricing increases	2%-3%	3%-4.5%
Terminal growth rate	2%	2%
Risk adjusted discount rate	7.24%	7.6%
Estimated capital expenditure	$557m	$493m

The valuation of LPC's property, plant and equipment is sensitive to the inputs used in the EV model. A sensitivity analysis of key inputs is given in the table below.

Note 10. Property, plant and equipment (continued)

Assumption change	Valuation movement up $'000	Valuation movement down $'000	Relationship of Unobservable Inputs to Fair Value
Container pricing +/- 1%	228,064	(202,732)	The higher the container pricing, the higher the fair value
WACC +/- 1%	164,356	(111,370)	The higher the WACC, the lower the fair value
Capital expenditure +/- 10%	79,790	(86,040)	The higher the capital expenditure, the lower the fair value
Container volumes +/- 1%	3,807	(55,104)	The higher the container volumes, the higher the fair value
Inflation +/-0.5%	54,817	(51,853)	The higher the inflation, the higher the fair value

Orion's property, plant and equipment

Orion's electricity distribution system and the majority of Orion's land and buildings are measured at fair value. At 31 March the carrying value remains materially at fair value. (2024: increase of $71m).

Electricity distribution system

The electricity distribution system was revalued to fair value as at 31 March 2024, based on a valuation range provided by independent valuer Deloitte.

In the absence of an active market, Deloitte calculated fair value using Level 3 significant unobservable inputs using a DCF methodology and based its cash flow forecasts on Orion's cash flow forecasts and adjusted those forecasts to remove the impacts of expansionary growth on forecast future revenues, operating expenditure and capital expenditure, and to reflect Deloitte's estimates of the regulatory Weighted Average Cost of Capital (WACC) for RCP4 and RCP5.

Deloitte's key valuation assumptions were that:

- for the ten years ending 31 March 2034 estimated network revenues follow the Commerce Commission's building blocks approach, but exclude growth assumptions related to expansionary growth.
- for the five years ending 31 March 2030 network revenues will be reset to achieve returns based on the new expected regulatory parameters - reset regulatory WACC - on regulatory investment value, adjusted for any known or estimated wash-up amounts carried forward from the current regulatory period.
- the estimated DCF mid-point discount rate is 6.65% (nominal, post-tax). The discount rate is a matter of professional judgement. Deloitte has used the ten-year NZ government bond rate as at the valuation date as the basis of risk-free rate. This has been used in conjunction with a view of an appropriate post tax market risk premium. Deloitte has used the same level of asset beta and leverage to that set by the Commerce Commission for the five-year regulatory period commencing 1 April 2025.

The valuation of Orion's electricity distribution system is sensitive to the inputs used in the DCF valuation model. A sensitivity analysis of key inputs is given in the table below. The sensitivities are calculated by flexing a single variable at a time, noting that in practice the variables are inter-related within the regulatory framework.

Note 10. Property, plant and equipment (continued)

Assumption change	Valuation movement up $'000	Valuation movement down $'000	Relationship of Unobservable Inputs to Fair Value
Capital expenditure +/- 5%	51,000	51,000	The higher the capital expenditure, the lower the fair value
Operating expenditure +/- 5%	72,000	72,000	The higher the operating expenditure, the lower the fair value
Discount rate +/- 0.5%	158,000	132,000	The higher the discount rate, the lower the fair value
Distribution revenue +/- 0.5%	19,000	19,000	The higher the distribution revenue, the higher the fair value

Land and other buildings

The majority of the company's land and non-substation buildings, comprising substation sites, head office land and building and Waterloo Road property, were revalued to fair value as at 31 December 2023, by Colliers International Limited.

The methodologies and key assumptions used in valuing Orion's land and non-substation building assets included:

- selecting a representative sample Orion's substation sites and valued land at those sites using sales comparisons and unit metre frontage methodologies. These values were compared with respective rateable values and comparisons used to develop standard site multipliers, which were applied to rateable land values for approximately 2,500 substation sites.
- valuing Orion's head office land and building using a market rental assessment and a capitalisation rate of 6.75% and comparing the result with recent market transactions.
- valuing Orion's Waterloo Road property using a market rental assessment and a capitalisation rate of 6.0% and comparing the result with recent market transactions.

Citycare, EcoCentral, and DCL

The net carrying value of the property, plant and equipment of these companies at 30 June 2025 comprised less than 2% (2024: less than 2%) of total Group property, plant and equipment. Assets of these companies are either independently revalued at regular intervals, or carried at cost less accumulated depreciation and impairment.

Accounting policy for property, plant and equipment - depreciation and impairment

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Depreciation is generally recognised in profit or loss.

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the revaluation reserve related to that asset, with any remaining impairment loss expensed in profit or loss. If the impairment loss is subsequently reversed, the reversal is firstly applied to profit or loss to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the revaluation reserve.

For assets that are not revalued, an impairment loss is expensed immediately in profit or loss. If an impairment loss is subsequently reversed, the carrying value of the asset is stated at not more than what its carrying value would have been had the earlier impairment not occurred.

Depreciation is calculated on each item of property, plant and equipment (excluding land) over their expected useful lives.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Capital work in progress is not depreciated until commissioned. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognised through profit or loss. When revalued assets are sold, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Note 10. Property, plant and equipment (continued)

Distinction between capital and operating expenditure
Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Operating expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant, and equipment of the Group.

Venues Ōtautahi Limited

An independent valuer, Bayleys Valuations Limited, performed the most recent valuation of the buildings for the Christchurch Town Hall and Christchurch Arena at 30 June 2024. The opinion of the valuer was arrived at by a registered valuer (FPINZ), in accordance with PBE IPSAS 17 Property, Plant and Equipment.

The total fair value of the buildings assessed by Bayleys at 30 June 2024 was $230 million using a depreciated cost approach. There have been no optimisation adjustments for the most recent valuations and the remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans and experience with similar buildings.

As part of the valuation process replacement costs were determined using information sourced from Statistics NZ, PPI etc indices. In line with Venues Ōtautahi's accounting policy, the next valuation will be performed in line with Christchurch City Council's valuation as at 30 June 2027 unless the carrying values of Venues Ōtautahi's buildings is considered to differ materially from their fair value, in which case a revaluation will be undertaken at that time. Until the earlier of these revaluation events, the valuation undertaken in 2024 is considered to be fair and reasonable.

Note 11. Intangible assets

Accounting policy / Kaupapahere Kaute

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognised directly in surplus or deficit.

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are capitalised and recognised as intangible assets. Capitalised costs include the software development employee direct costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives. Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation (see below) and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

An intangible asset with a finite useful life is amortised on a straight-line basis over the period of that life. The asset is reviewed annually for indicators of impairment and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment

For the purpose of assessing impairment indicators and impairment testing of non-financial assets, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets. Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of the Council's other assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Carbon emission units

The Parent being a public benefit entity records carbon credits received from the Crown upon the registration of indigenous and exotic forest and plantations at historical cost. Group entities that prepare financial statements on the basis of "for profit" accounting standards record carbon emission units at fair value. The consolidated group financial statements are restated to historical cost for this class of intangible assets.

Useful lives

The following table highlights the useful of intangible assets, which drives the amortisation charge for each intangible asset category and intangible asset class.

Category	Estimated Useful Life
Computer software licenses	>1-10 yrs
Computer software development costs	>1-10 yrs
Resource consents and easements	5-35 yrs
Patents, trademarks and licenses	10-20 yrs
Customer related	2-13 yrs

Note 11. Intangible assets (continued)

11.1 Intangible assets

Parent 2025	Opening balances			Current year	Closing balances		
	Cost/ valuation $'000	Accumulated amortisation $'000	Carrying amount $'000	Net movements $'000	Cost/ valuation $'000	Accumulated amortisation $'000	Carrying amount $'000
Software	10,071	(7,140)	2,931	571	11,961	(8,459)	3,502
Work in progress (11.2)	-	-	-	6,619	6,619	-	6,619
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Carbon credits (11.4)	4,230	-	4,230	691	4,921	-	4,921
Other intangibles	16,613	(9,339)	7,274	241	18,785	(11,270)	7,515
Total Parent intangibles	**34,218**	**(19,778)**	**14,440**	**8,122**	**45,590**	**(23,028)**	**22,562**
Group 2025							
Goodwill	88,916	(41,807)	47,109	-	88,916	(41,807)	47,109
Easements and resource consents	6,709	(3,976)	2,733	66	6,597	(3,798)	2,799
Software	92,421	(71,475)	20,946	9,335	112,268	(82,434)	29,834
Work in progress (11.2)	7,661	-	7,661	12,029	19,690	-	19,690
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Carbon credits	5,450	566	6,016	657	6,107	566	6,673
Other intangibles	49,384	(21,882)	27,502	(6,121)	51,776	(30,396)	21,380
Total Group intangibles	**253,845**	**(141,873)**	**111,972**	**15,966**	**288,658**	**(161,168)**	**127,490**

Note 11. Intangible assets (continued)

Parent 2025	Current year movements: Additions $'000	Additions from internal development $'000	Net disposals/ Transfers* $'000	Impairment charged to surplus $'000	Net movement in WIP $'000	Amortisation $'000	Revaluation movement $'000	Current year net movement $'000
Software	1,890	-	-	-	-	(1,319)	-	571
Work in progress (11.2)	-	-	4,074	-	2,545	-	-	6,619
Carbon credits (11.4)	-	-	-	-	-	-	691	691
Other intangibles	2,172	-	-	-	-	(1,931)	-	241
Total Parent intangibles	**4,062**	**-**	**4,074**	**-**	**2,545**	**(3,250)**	**691**	**8,122**
Group 2025								
Easements and resource consents	-	-	(112)	-	66	112	-	66
Software	11,001	-	9,294	-	(24)	(10,936)	-	9,335
Work in progress (11.2)	13,905	-	(4,421)	2,545	-	-	-	12,029
Carbon credits (11.4)	-	-	(34)	-	-	-	691	657
Other intangibles	2,250	-	-	-	-	(8,371)	-	(6,121)
Total Group intangibles	**27,156**	**-**	**4,727**	**2,545**	**42**	**(19,195)**	**691**	**15,966**

Parent 2024	Opening balances: Cost/ valuation $'000	Opening balances: Accumulated amortisation $'000	Opening balances: Carrying amount $'000	Current year: Net movements $'000	Closing balances: Cost/ valuation $'000	Closing balances: Accumulated amortisation $'000	Closing balances: Carrying amount $'000
Software	8,544	(5,688)	2,856	75	10,071	(7,140)	2,931
Work in progress (11.2)	4,398	-	4,398	(4,398)	-	-	-
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Carbon credits (11.4)	-	-	-	4,230	4,230	-	4,230
Other intangibles	12,054	(7,642)	4,412	2,862	16,613	(9,339)	7,274
Total Parent intangibles	**28,300**	**(16,629)**	**11,671**	**2,769**	**34,218**	**(19,778)**	**14,440**
Group 2024							
Goodwill	88,916	(41,807)	47,109	-	88,916	(41,807)	47,109
Easements and resource consents	5,028	(3,854)	1,174	1,559	6,709	(3,976)	2,733
Software	82,316	(61,092)	21,224	(278)	92,421	(71,475)	20,946
Work in progress (11.2)	7,901	-	7,901	(240)	7,661	-	7,661
Trademarks	3,304	(3,299)	5	-	3,304	(3,299)	5
Carbon credits (11.4)	1,272	(920)	812	5,204	5,450	566	6,016
Other intangibles	43,029	(13,542)	29,487	(1,985)	49,384	(21,882)	27,502
Total Group intangibles	**231,766**	**(124,514)**	**107,712**	**4,260**	**253,845**	**(141,873)**	**111,972**

Note 11. Intangible assets (continued)

Parent 2024	Additions $'000	Additions from internal development $'000	Net disposals/ Transfers* $'000	Net movement in WIP $'000	Impairment charged to surplus $'000	Amortisation $'000	Revaluation movement $'000	Current year net movement $'000
	Current year movements							
Software	1,527	-	-	-	-	(1,452)	-	75
Work in progress (11.2)	-	-	(4,168)	(230)	-	-	-	(4,398)
Carbon credits (11.4)	-	-	-	-	-	-	4,230	4,230
Other intangibles	2,645	-	1,914	-	-	(1,697)	-	2,862
Total Parent intangibles	**4,172**	**-**	**(2,254)**	**(230)**	**-**	**(3,149)**	**4,230**	**2,769**
Group 2024								
Easements and resource consents	74	-	1,607	-	-	(122)	-	1,559
Software	17,673	-	2,461	-	-	(10,383)	-	9,751
Work in progress (11.2)	7,456	1,020	(18,515)	(230)	-	-	-	(10,269)
Carbon credits (11.4)	-	-	(52)	-	106	920	4,230	5,204
Other intangibles	2,684	-	4,274	-	(14)	(8,929)	-	(1,985)
Total Group intangibles	**27,887**	**1,020**	**(10,225)**	**(230)**	**92**	**(18,514)**	**4,230**	**4,260**

11.2 Work in progress

Intangible assets under construction by class of asset is detailed below:

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Software	6,619	-	19,690	7,661
Total intangibles work in progress	**6,619**	**-**	**19,690**	**7,661**

11.3 Goodwill

Accounting Policy / Kaupapahere Kaute

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

The carrying amount of goodwill allocated to cash-generating units (CGU) for the purposes of goodwill impairment testing is as follows:

Note 11. Intangible assets (continued)

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
(CCHL) Orion NZ Ltd	-	-	2,398	2,398
(CCHL) Enable Services Ltd	-	-	848	848
(CCHL) City Care Ltd	-	-	43,863	43,863
	-	**-**	**47,109**	**47,109**

11.4 Carbon emission units

Critical Judgements / Whakawa Tino

Carbon sequestration

The Parent has registered 83,770 hectares of regenerating indigenous forest on Banks Peninsula in the Te Oka reserve in the New Zealand Emission Trading Scheme (NZ ETS). The regenerating forest will sequester carbon and generate for the Parent a new asset class carbon emission units or New Zealand units (NZU).

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Cost - Opening balance	4,230	-	6,016	-
Additions	-	4,230	-	6,016
Revaluation Gains/losses	691	-	691	-
Net disposals	-	-	(34)	-
	4,921	**4,230**	**6,673**	**6,016**

Commentary / Korerotanga

Carbon emission units

The price of carbon as at 30 June 2025 was $58.75 per New Zealand Unit (NZU) (2024: $50.50). One NZU is equivalent to one (1) tonne of carbon dioxide equivalent (tCO2-e).

Note 11. Intangible assets (continued)

11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement)

Change in Accounting Treatment
In previous reporting periods, the Council capitalised certain costs relating to Software-as-a-Service (SaaS) arrangements as intangible assets within computer software licences and development costs.

In March 2021, the IFRS Interpretations Committee (IFRIC) issued an agenda decision clarifying the accounting treatment of configuration and customisation costs in cloud computing (SaaS) arrangements. The decision confirmed that, in most cases, such costs do not meet the definition of an intangible asset under IPSAS 31 Intangible Assets (and IAS 38 equivalent), and should instead be recognised as an expense when the related services are received.

This agenda decision was available prior to the publication of the Council's 30 June 2024 annual report. The Council should therefore have applied this guidance in preparing prior period financial statements. The previous treatment represents a material prior period error under PBE IPSAS 3, rather than a change in accounting policy.

Intangible Treatment Adjustment

The financial statements have been restated to reflect this adjustment. The effect of the restatement is:
- A decrease in intangible assets for the amounts previously capitalised.
- An increase in operating expenditure in the years in which the services were consumed.
- A reduction in opening equity at 1 July 2024.

Impact on financial statements

These restatements had a consequential impact on the classification of cashflows within the Statement of Cashflows, the financial prudence benchmarks, the Funding Impact Statements, and the Whole of Council Funding Impact Statement, which have also been restated.

The following tables summarise the adjustments made to each financial statement line item affected for the prior period. Amounts are presented in $000.

Statement of Comprehensive Revenue and Expense 2024	Parent	Parent		Group	Group	
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Year Ended 30 June 2024						
Depreciation and amortisation	345,176	(17,363)	327,813	542,819	(17,363)	525,456
Other expenses	411,988	22,668	434,656	1,031,221	22,668	1,053,889
Total operating expenses	1,135,120	5,305	1,140,425	2,392,589	5,304	2,397,893
Surplus before income tax expense	48,828	(5,305)	43,523	122,841	(5,304)	117,537
Surplus for the period	49,376	(5,305)	44,071	16,808	(5,304)	11,504
Total comprehensive revenue and expense attributable to:						
Equity holders of the parent	422,849	(5,305)	417,544	262,994	(5,304)	257,690
Total comprehensive revenue and expense	422,849	(5,305)	417,544	282,976	(5,304)	277,672

Note 11. Intangible assets (continued)

Statement of Financial Position 2024	**Parent**	**Parent**	**Parent**	**Group**	**Group**	**Group**
As at 30 June 2024	**As previously reported**	**Adjustment**	**Restated**	**As previously reported**	**Adjustment**	**Restated**
Intangible assets	99,948	(85,508)	14,440	197,480	(85,508)	111,972
Total non-current assets	20,399,476	(85,508)	20,313,968	22,184,104	(85,508)	22,098,596
Total assets	20,836,748	(85,508)	20,751,240	22,809,630	(85,508)	22,724,122
Net assets	18,051,867	(85,508)	17,966,359	17,490,787	(85,508)	17,405,279
Parent entity interest	5,130,193	(85,508)	5,044,685	6,005,906	(85,508)	5,920,398
Total Equity	18,051,867	(85,508)	17,966,359	17,490,787	(85,508)	17,405,279

Statement of changes in net assets/equity 2024	Parent	Parent		Group	Group	
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Year ended 30 June 2024						
Balance as at 1 July 2023	17,630,280	(80,204)	17,550,076	17,215,675	(80,204)	17,135,471
Surplus for the period	49,376	(5,305)	44,071	16,808	(5,304)	11,504
Balance as at 1 July 2024	18,051,867	(85,509)	17,966,358	17,490,787	(85,508)	17,405,279

Statement of Cashflow 2024	Parent	Parent		Group	Group	
	As previously reported	Adjustment	Restated	As previously reported	Adjustment	Restated
Year ended 30 June 2024						
Payments to suppliers and employees	(612,650)	(5,305)	(617,955)	(1,645,874)	(5,305)	(1,651,179)
Net cash provided by/(used in) operating activities	372,566	(5,305)	367,261	596,228	(5,305)	590,923
Payment for purchases of fixed assets	(715,172)	5,305	(709,867)	(961,725)	5,305	(956,420)
Net cash (used in)/provided by investing activities	(710,177)	5,305	(704,872)	(965,884)	5,305	(960,579)

Note 12. Service concession arrangements

Accounting Policy / Kaupapahere Kaute

The Council may acquire infrastructural assets by entering into a service concession arrangement (SCA) with a private operator to build, finance, and operate an asset over a specified period.

Assets acquired through an SCA are initially recognised at their fair value, with a corresponding liability. The asset is subsequently measured following the accounting policies above for property, plant, and equipment.

The Council has only entered into SCAs whereby the Council pays for the services provided by the operator. The monthly payments to the operator are recognised according to their substance as a reduction in the liability for the build of the asset, a finance expense, and an expense for charges for services provided by the operator.

12.1 Service concession asset

The service concession assets were completed in February 2009 and were recognised at fair value by the Parent as part of its property, plant and equipment (see Note 10). The building and plant and machinery had an estimated useful life of 30 years and 20 years, respectively, and are depreciated on a straight-line basis.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Service concession asset				
Fair value of service concession asset on initial recognition	11,037	11,037	-	-
Accumulated depreciation to date	(8,417)	(7,904)	-	-
Net book value	**2,620**	**3,133**	-	-

12.2 Service concession liability

The Parent also recognised $11.0 million of liability in relation to the service concession arrangement at the same time it recognised the service concession assets. This liability is reversed as a revenue equally over the term of the arrangement consistent with the Grant of a right to the operator model under PBE IPSAS 32. The service concession liability is included in the Parent's Other liabilities under Note 26.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Service concession liability				
Opening balance	-	429	-	-
Service concession revenue recognised	-	(429)	-	-
Closing balance	-	-	-	-
Total current service concession liability	**-**	**-**	**-**	**-**

Commentary / Korerotanga

In May 2008 the Parent (as grantor) entered into an arrangement with an operator to construct the Material Recovery Facility (MRF) located at 21 Parkhouse Road. The arrangement required the operator to build, own and operate the service concession assets (composing of building and plant & machinery) for a period of 15 years. After 15 years, the ownership of the service concession assets will be transferred to the Parent at no cost. The current operator is EcoCentral Limited.

During the 15 year period, the operator will earn revenue from operating the MRF while the Parent continues to control the use of the service concession assets as specified in the agreement.

There have been no changes in the service concession arrangement during the current period.

Note 13. Commitments and operating leases

Accounting Policy / Kaupapahere Kaute

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Parent	Parent	Group	Group
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
a) Capital and other operating commitments				
Capital commitments				
Property, plant and equipment	260,976	461,114	323,554	469,173
Electricity distribution network	-	-	44,455	36,788
Intangible assets	1,165	1,937	37,674	2,214
Other	-	-	353	7,955
Total capital commitments	**262,141**	**463,051**	**406,036**	**516,130**
Other operating commitments	66,647	35,890	66,647	35,890
b) Non cancellable operating lease liabilities				
No later than one year	1,481	1,454	14,005	14,221
Later than one year and not later than five years	5,340	5,037	55,906	52,791
Later than five years	11,954	11,784	56,160	64,377
Total non cancellable operating lease liabilities	**18,775**	**18,275**	**126,071**	**131,389**
c) Non cancellable operating lease receivables				
No later than one year	13,591	23,247	84,734	69,779
Later than one year and not later than five years	35,902	80,256	153,096	166,286
Later than five years	126,641	363,217	115,667	226,032
Total non cancellable operating lease receivables	**176,134**	**466,720**	**353,497**	**462,097**

Commentary / Korerotanga

Capital commitments and other operating commitments
The property plant and equipment commitment above includes the Parent's commitments for anchor projects including $107.7 million for the construction of the One New Zealand Stadium at Te Kaha (2024: $279.7 million), $24.4 million for the South Library and Service Centre building, and $8.1 million for Ōtākaro-Avon River Corridor Community Spaces.

Infrastructure works
The Parent has a $1.2 million (2024 $1.0 million) capital commitment with Connetics for power and lighting renewals and a $8.3 million (2024: $11.0 million) capital commitment with City Care for three waters and waste renewals.

Non-cancellable operating lease liabilities
The Parent leases computer equipment, property, and a number of car parks across the City. These leases have various terms of renewal, but no purchase options and escalation clauses. There are no restrictions placed upon the Parent by entering into these leases.

The majority of the Group account for leases pursuant to "for profit" standard NZ IFRS 16 Leases. These finance leases are restated to conform to PBE IPSAS 13 Leases.

Non-cancellable operating lease receivables
The Parent leases properties to various parties, with the OCHT contract for the lease and management of social housing units forming the bulk of this amount. The lease with OCHT is for 27 years commencing 2018. CIAL and LPC lease properties to various parties. The terms of the leases vary and the majority are renewable.
In 2025, the OCHT lease agreement was amended to clarify that OCHT is responsible for all maintenance costs directly, with the Council receiving only the base rent. Previously, lease receivables were reported on a gross basis including maintenance. As a result, the present value of the OCHT lease receivable has reduced significantly, and this change is the main driver of the overall reduction in non-cancellable lease receivables compared with the prior year.

Note 14. Assets held for sale

Accounting Policy / Kaupapahere Kaute

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

	Parent		**Group**	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Current assets				
Land and buildings held for sale	12,385	11,648	12,385	11,648
Plant and equipment held for sale	-	-	-	10
Total amounts held for sale	**12,385**	**11,648**	**12,385**	**11,658**

Commentary / Korerotanga

The Parent has recognised land and buildings held for sale which includes a portion of the strategic land assets that were reviewed as a part of the Long-Term Plan 2021 – 2031. These properties have been assessed as no longer required by the Parent and some are being actively marketed for sale, while others are required to go through an offer back or first right of refusal process with previous owners.

Note 15. Investment property

Accounting Policy / Kaupapahere Kaute

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless the occupants provide services that are integral to the operation of the Council's business and/or these services could not be provided efficiently and effectively by the lessee in another location, the property is being held for future delivery of services, the lessee uses services of the Council and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal, the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in surplus or deficit.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent recording. When the Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

	Parent		Group	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Balance at beginning of year	-	-	803,874	768,622
Net transfer from property, plant and equipment	-	-	-	9,952
Additional capitalised expenditure	-	-	47,505	9,850
Net gain/ (loss) from fair value investments	-	-	24,487	15,450
Balance at end of year	**-**	**-**	**875,866**	**803,874**

Note 15. Investment property (continued)

Commentary / Kaupapahere Kaute

The Parent has no investment properties.

Christchurch International Airport Limited
The valuation of CIAL's investment property as at 30 June 2025 and 30 June 2024 was completed by Crighton Anderson Property and Infrastructure Ltd, trading as Colliers International Ltd, registered valuers and member of the New Zealand Property Institute. The basis of valuation is fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental income using market comparison of capitalisation rates, supported by a discounted cash flow approach. The valuation methodologies are consistent with the prior year.

Principal assumptions used in establishing the valuations were:

- average rental yield rate 6.54% (2024: 6.60%). Rental yield range 0.84% - 11.53% (2024: 0.93% - 10.99%).
- average market capitalisation rate 6.71% (2024: 6.81%). Market capitalisation rate range 4.19% - 11.05% (2024: 4.15% - 10.52%).
- weighted average lease term 5.43 years (2024: 5.76 years).

Rental ranges in aggregate across the different property asset types were as follows:

Asset Type	2025 rental range	2024 rental range
Office	$190-$275/sqm	$190-$270/sqm
Warehouse	$100-$175/sqm	$100-$165/sqm

Fair value hierarchy

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	Valuation sensitivity
Investment Properties are land and buildings which are owned to earn rental income, for capital appreciation or both.	The income-based valuation approach is used.	Land is included when infrastructure services are available and future development is expected within the next 3 years.	3	+ $37.9m/- $34.4m (of a 5% change of capitalisation rate)

Level 3 Asset Classification	Sensitivity of significant unobservable inputs
Investment Properties	An increase in the cash flow from an asset will increase the fair value of the asset and a decrease in the cash flow from an asset will decrease the fair value of the asset

Red Bus Limited (RBL) Property

The valuation of RBL's investment property as at 30 June 2025 was completed by Bayley's using the capitalised income and direct sales comparison method. RBL's investment property was last revalued at 30 June 2024 using a direct sales comparison method.

The principal assumption used in establishing the valuation was:

- $ per sqm $688 (2024: $725) Range of $ per square metre $550 - $750 (2024: $700-$750)

Sensitivity analysis		
Assumption change	**Valuation movement up**	**Valuation movement down**
Valuation of land per square metre +/- $100	$21.4m	$16m

Note 16. Cash and cash equivalents

Accounting Policy / Kaupapahere Kaute

Cash and cash equivalents are classified as financial assets at amortised cost.

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the statement of financial position.

	Parent		Group	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Cash and cash equivalents	210,366	127,347	316,072	222,267
Cash and cash equivalents (USD)	502	-	502	272
Cash and cash equivalents (EUR)	-	-	-	9
Overdraft	-	-	-	3
Total Cash and cash equivalents	**210,868**	**127,347**	**316,574**	**222,551**

Commentary / Korerotanga

Cash is held to meet working capital and liquidity requirements.

Note 17. Inventories

Accounting Policy / Kaupapahere Kaute

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The cost of other inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventory includes non-commercial spare parts associated with water supply and waste water reticulation and traffic signals.

	Parent 30 June 2025 $'000	Parent 30 June 2024 $'000	Group 30 June 2025 $'000	Group 30 June 2024 $'000
a) Current inventories				
Inventory - raw materials and maintenance items	-	-	33,021	22,066
Inventory - finished goods	4,170	3,222	5,445	13,871
	4,170	3,222	38,466	35,937
Inventory - allowance for impairment	-	-	-	(221)
Total current inventories	**4,170**	**3,222**	**38,466**	**35,716**
b) Non current inventories				
Inventory - finished goods	**-**	**-**	**-**	**6,045**

Commentary / Korerotanga

There was no write-down of inventory during the year (2024: $nil). There have been no reversals of previous write-downs (2024: $nil). No inventory is pledged as security for liabilities (2024: $nil). However, some inventory is subject to retention of title clauses.

Note 18. Investment in CCOs and other similar entities

Accounting Policy / Kaupapahere Kaute

Investments in CCOs are measured using the following methods:

- Loans advances and investment in CCOs bond are measured at amortised cost,
- Equity investments in subsidiaries and unlisted shares are measured as fair value through other comprehensive revenue and expense, and
- Investment in LGFA Borrower Notes are measured at fair value through surplus and deficit based on future cashflows and prevailing market interest rates.

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Current assets				
Loans advanced to CCOs	180,000	132,916	-	-
Borrower notes	10,690	5,710	10,690	5,710
	190,690	138,626	10,690	5,710
Non-current assets				
Loans advanced to CCOs	477,909	601,793	-	-
Investment in CCOs bond	-	8,700	-	-
Borrower notes	63,929	47,466	63,929	47,466
Share investment in subsidiaries	4,280,215	3,632,094	-	-
Share investment in other CCOs	11,625	10,666	11,625	10,666
	4,833,678	4,300,719	75,554	58,132
Total investments in CCOs	**5,024,368**	**4,439,345**	**86,244**	**63,842**

18.1 Loans advanced to CCOs

The average interest rate on the loans advanced to CCOs is 4.17 per cent (2024 5.95 per cent).

	Parent	
	30 June 2025 $'000	30 June 2024 $'000
Current		
Christchurch City Holdings Ltd	180,000	130,200
Civic Building Ltd	-	2,716
	180,000	**132,916**
Non-current		
Christchurch City Holdings Ltd	424,400	551,000
Civic Building Ltd	50,324	47,608
Venues Otautahi Ltd	3,185	3,185
	477,909	**601,793**
Total loans advanced to CCOs	**657,909**	**734,709**

Note 18. Investment in CCOs and other similar entities (continued)

18.2 Investment in CCO bond

Council held an investment in a Christchurch City Holdings Limited (CCHL) listed bond originally maturing 6 April 2028, paying a fixed interest rate of 5.043% per annum (NZX reference CCH040). The bond was sold on 5 June 2025.

	Parent	
	30 June 2025 $'000	30 June 2024 $'000
Non-current		
CCHL Bond	-	8,700
Total investment in CCO bond	**-**	**8,700**

18.3 Borrower Notes

Borrower Notes are interest-bearing investments in LGFA, made in proportion to Council's borrowing from LGFA. In the 2024/25 financial year, Council's new investment in Borrower Notes amounted to 5% of its new borrowing from LGFA.

Borrower notes are fair valued based on future cash flows and prevailing market interest rates.

During the year $5.8 million of borrower notes matured (2024: $7.7 million) and $26.7 million of borrower notes were purchased (2024: 17.01 million).

18.4 Share investment in subsidiaries

	Parent 30 June 2025 $'000	Parent 30 June 2024 $'000
Christchurch City Holdings Ltd	4,047,022	3,400,993
ChristchurchNZ Holdings Ltd	2,420	1,960
Civic Building Limited	37,400	40,993
Venues Ōtautahi	193,373	188,148
Total share investments in CCOs	**4,280,215**	**3,632,094**

Commentary / Korerotanga

The valuation of the parent's investments in its subsidiary companies relies, in part, on publicly available information, management forecasts and other information provided by the respective companies based on the prevailing economic, market and other conditions as at 30 June 2025.

Independent valuer and key assumptions

Company	Detail
Christchurch City Holdings Limited (CCHL)	Full valuation date: 30 June 2025 Independent valuer: Deloitte Valuation methodology: Sum-of-parts (consolidation) methodology **Key valuation assumptions:** -Combines the equity value of each of the subsidiaries as the investment portfolio of CCHL. -Any valuation uncertainty in the underlying subsidiaries manifests itself in the value of this portfolio and therefore impacts the value of CCHL.

Note 18. Investment in CCOs and other similar entities (continued)

Orion New Zealand Limited

CCHL ownership: 89.275%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology

Key valuation assumptions:

- A 10 year cash flow forecast with a terminal value has been utilised. Two ten year cash flow scenarios have been presented, with the first containing a customised price path (CPP) period between FY28-FY32 and the second aligning with the default price path as set by the Commerce Commission. The cashflows have been built up by Orion's management team and for the CPP scenario are consistent with Orion's current ten year asset management plan. Orion's forecast models include management assumptions about the outcome of their application for a customised price path, required rates of return and capital expenditure.
- The terminal value was assessed using a market based approach of 1.3x FY35 RAB.
- A weighted average cost of capital (WACC) of 6.34% post-tax was used to discount its future cash flows.

The following Sensitivity table shows analysis on the 89.275% shareholding value if different assumptions were applied:

Change in

	Decrease $'000	Increase $'000
Revenue (+ or -5%)	(110,173)	110,173
WACC (+ or - 0.5%)	108,760	(103,245)
Operating expenditure (+ or -5%)	50,907	(50,907)

Note 18. Investment in CCOs and other similar entities (continued)

Christchurch International Airport Limited

CCHL ownership: 75%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Combination of discounted cashflow for the airport operations and net asset value approach for the investment properties portfolio.

Key valuation assumptions:

Airport operation

- Forecast cash flows for CIAL for the next ten years and a terminal cash flow were assessed and discounted back to valuation date.
- A weighted average cost of capital (WACC) of 8.27% post-tax was used to discount its future cash flows.
- The terminal value is an estimate of the value of a life long business beyond the explicit (10 year) forecast period. The terminal value assumes a business will grow at a set rate beyond the explicit forecast period. Deloitte applied a terminal growth rate of 4%, which is higher than the applied TGR of 2% for the 2024 valuation and reflects the updated view of the long term passenger growth forecasted by industry bodies beyond the 10 year explicit forecast period taking into consideration CIAL's terminal capacity.

Investment property portfolio

Land and buildings not associated with the airport operations (properties classified as investment properties and surplus land held by CIAL), was valued on a net asset basis, on the grounds that:

- a ready market exists for property and hence direct valuation methods for individual assets are available;
- hypothetically these assets could be sold without materially affecting the core airport operations; and
- some assets are held for strategic purposes and hence their value under an earnings approach may be understated.

The following Sensitivity table shows analysis on the 75% shareholding value if different assumptions were applied:

Change in

	Decrease $'000	Increase $'000
Revenue(+ or - 5%)	(140,477)	140,477
WACC (+ or - 0.5%)	174,380	(137,881)
Capital expenditure (+ or - 5%)	34,121	(34,121)
Operating expenditure (+ or - 5%)	50,854	(50,854)

Note 18. Investment in CCOs and other similar entities (continued)

Lyttelton Port Company Limited

CCHL ownership: 100%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
- LPC's forecast cash flows for the next 15 years and a terminal cash flow were assessed and discounted back to valuation date.
- A weighted average cost of capital (WACC) of 7.47% post-tax was used to discount its future cash flows.
- A terminal growth rate of 2% has been applied.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in

	Decrease $'000	Increase $'000
Revenue(+ or - 5%)	(169,826)	169,826
WACC (+ or - 0.5%)	70,400	(58,503)
Capital expenditure (+ or - 5%)	31,606	(31,606)
Operating expenditure (+ or - 5%)	110,429	(110,429)

Enable Services Limited

CCHL ownership: 100%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
- A 10 year cash flow forecast with a terminal value has been utilised. The cashflow has been built up by Enable's management team and forms the basis for their current five year business plan. Enable's forecast models include management assumptions about long run growth rates, uptake and capital expenditure. The models also cover two alternate operating scenarios reflecting low and high growth assumptions.
- The terminal value was assessed using the Gordon Growth methodology and a terminal growth rate of 2%.
- A weighted average cost of capital (WACC) of 7.50% post-tax was used to discount its future cash flows.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in

	Decrease $'000	Increase $'000
Revenue(+ or - 5%)	(94,613)	94,613
WACC (+ or - 0.5%)	97,475	(81,318)
Capital expenditure (+ or - 5%)	23,239	(23,239)
Operating expenditure (+ or - 5%)	27,425	(27,425)

Note 18. Investment in CCOs and other similar entities (continued)

City Care Limited

CCHL ownership: 100%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
- Citycare's forecasts for its separate business units for the next three years and a terminal cash flow were assessed and discounted back to valuation date, with the results checked against net realisable value of the business unit's assets.
- A weighted average cost of capital (WACC) of 9.79% post-tax for the Property and Spencer Henshaw part of the business, and 10.35% for the Water and Apex divisions, were used to discount its future cash flows.
- A terminal growth rate of 2% has been applied across the business.

The following Sensitivity table shows analysis if different assumptions were applied:

Change in

	Decrease $'000	Increase $'000
Gross Profit (+ or - 5%)	(43,139)	43,139
WACC (+ or - 0.5%)	12,270	(10,819)
Capital expenditure (+ or - 5%)	7,808	(7,808)
Overhead expenditure (+ or - 5%)	28,930	(28,930)

EcoCentral Limited

CCHL ownership: 100%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Discounted cash flow methodology
Key valuation assumptions:
- On 20th December 2023, Eco Central and CCC reached an agreement on the contract variation through to 31 March 2029.
- The 5 year extension provided clarity and certainty of the contractual term and consistent with the 2024 valuation assessment, the 2025 valuation is based on the updated contract term.
- A weighted average cost of capital (WACC) of 9.60% post-tax was used to discount future cash flows in the current contract term.

RBL Property Limited

CCHL ownership: 100%
Full valuation date: 30 June 2025
Independent valuer: Deloitte
Valuation methodology: Net assets (net realisable value) methodology
Key valuation assumptions:
- RBL Property only held the remaining residual assets of the former Red Bus business- the land and depot.
- It was considered appropriate to value RBL Property on a net asset orderly realisation basis

Note 18. Investment in CCOs and other similar entities (continued)

	Development Christchurch Limited	CCHL ownership: 100% Full valuation date: 30 June 2025 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - As at June 2025, DCL primarily held receivables and cash balances. DCL's final property was sold in December 2024, with the resulting cash / accounts receivable balances recorded in the balance sheet. As such, the NRV remains the most reasonable valuation methodology.
Venues Otautahi Limited	Full valuation date: 30 June 2025 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of VO's assets, to imply the value of the shares in VO. - Deloitte valuation assessment was based on the 31 May 2025 balance sheet and assumed to approximate the 30 June 2025 financial position.	
ChristchurchNZ Holdings Limited	Full valuation date: 30 June 2025 Independent valuer: Deloitte Valuation methodology: Net assets (net realisable value) methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of CNZHL's assets, to imply the value of the shares in CNZHL. - Deloitte valuation assessment was based on the 30 June 2025 forecast balance sheet.	
Civic Building Limited	Full valuation date: 30 June 2025 Independent valuer: Deloitte Valuation methodology: Net realisable asset valuation methodology **Key valuation assumptions:** - An asset based indicative valuation estimates the proceeds that would be available from an orderly realisation of CBL's assets, to imply the value of the shares in CBL. - Deloitte valuation assessment was based on the 30 April 2025 balance sheet and assumed to approximate the 30 June 2025 financial position.	

18.5 Share investment in other CCOs and other entities

Share investment in other CCOs are reflected at fair value and include:

- $1.5 million (2024 $1.5 million) in Civic Financial Services Limited (formerly New Zealand Local Government Insurance Corporation) determined by using the asset valuation from their latest published accounts as at 31 December 2024.
- $10 million (2024 $9.1 million) in Local Government Funding Agency determined on their net asset backing as at 31 December 2024; and
- $1.3 million (2024 $1.3 million) in Theatre Royal Charitable Foundation determined on discounted cash flow as at 30 June 2025 excluding provision for expected credit loss.

Note 19. Investments in associates and joint arrangements

Accounting Policy / Kaupapahere Kaute

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the parent's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post-acquisition profits or losses is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent's surplus or deficit, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

Joint ventures are those over whose activities the Group has joint control and established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements on a line-by-line basis.

The following entity is included in the Group through equity accounting:

Name of entity	Country of Incorporation	Effective Ownership Interest	
		30 June 2025	30 June 2024
Transwaste Canterbury Ltd - Parent	NZ	38.9%	38.9%
Christchurch Civic Building Joint Venture (CCBJV)	NZ	50.0%	50.0%
Leisure Investments NZ Limited Partnership	NZ	54.7%	54.7%

No public price quotations exist for this investment.

19.1 Associates and joint arrangements

		Parent		Group	
		30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Balance at start of year		6,196	6,196	12,985	12,095
Share of total recognised revenues and expenses	19.2	-	-	5,422	5,657
Dividends from associates and joint ventures		-	-	(7,644)	(4,687)
Share of revaluations		-	-	80	(80)
Balance at end of year		**6,196**	**6,196**	**10,843**	**12,985**

Note 19. Investments in associates and joint arrangements (continued)

Commentary / Korerotanga

There is no goodwill included in the carrying value of associates (2024: Nil).

Transwaste Canterbury Limited
The Parent has a 38.9 per cent ownership interest in Transwaste. Transwaste was incorporated in March 1999 to select, consent, develop, own and operate a non-hazardous regional landfill in Canterbury. The landfill opened in June 2005. With a 38.9 per cent interest the Council has significant influence but cannot control the operations therefore accounts for it as an associate.

Christchurch Civic Building Joint Venture (CCBJV)
CCBJV is in a joint venture partnership between Civic Building Limited and NTPL for the ownership of a property in Hereford Street Christchurch. A 50 per cent share is accounted for in CBL for the joint venture.

19.2 Transwaste Canterbury Limited

	Group	
	30 June 2025 $'000	**30 June 2024 $'000**
Assets	77,444	76,874
Liabilities	45,897	39,822
Revenue	81,219	73,581
Comprehensive revenue and expense	13,939	14,542
Share of total recognised comprehensive revenue and expense	5,422	5,657

Notes 20. Financial instruments

Accounting Policy / Kaupapahere Kaute

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets (other than financial assets at fair value through surplus or deficit). Transaction costs directly attributable to the acquisition of financial assets at fair value through surplus or deficit are recognised immediately in surplus or deficit.

The Council classifies its investments in the following categories:

Financial assets measured at amortised cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost.

Fair value through other comprehensive revenue or expense (FVTOCRE)

Financial assets held for collection of contractual cash flows and for selling where the cash flows are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCRE.

Changes in the carrying amount subsequent to initial recognition as a result of impairment gains or losses, foreign exchange gains and losses and interest revenue calculated using the effective interest method are recognised in other comprehensive revenue and expenses. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive revenue and expense are reclassified to surplus or deficit.

On initial recognition the Council may make the irrevocable election to designate investments in equity investments as at FVTOCRE. Designation at FVTOCRE is not permitted if the equity investment is held for trading or if it is a contingent consideration recognised by an acquirer in a business combination to which PBE IFRS 3 applies. Subsequent to initial recognition equity investments at FVTOCRE are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

Fair value through surplus or deficit

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship.

The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Council recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Council recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of ECL.

The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition, instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represent the portion of lifetime ECL that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted.

Note 20. Financial instruments (continued)

20.1 Other financial assets

Accounting Policy / Kaupapahere Kaute

Other financial assets are measured using the following methods:

· Community loans and other loan advances to non-CCOs are measured at fair value through surplus or deficit except for the OCHT development loan which is measured at amortised cost,
· Term deposits are measured at amortised cost,
· Derivative assets are measured as described in Note 20.4, and
· Share investments in non-CCOs are measured at fair value through other comprehensive revenue and expense.

		Parent		Group	
	Note	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Community loans	20.2	46,893	46,872	3,164	3,343
Loans advanced to non-CCOs		-	-	12,723	13,096
Term deposits		-	-	21,978	28,622
Derivative financial instrument assets	20.4	12,044	27,423	31,246	85,723
Share investment in non-CCOs		206	228	496	519
Total other financial assets		**59,143**	**74,523**	**69,607**	**131,303**
Total current other financial assets		3,000	189	22,419	39,706
Total non-current other financial assets		56,143	74,334	47,188	91,597
		59,143	**74,523**	**69,607**	**131,303**

Commentary / Korerotanga

Group loans advanced to non-CCOs relate to loans advanced by CCHL to Christchurch Engine Centre which is carried at fair value. The loan is contracted in USD with USD8 million @ 0.6069 (2024: USD 8 million @ 0.6068).

Share investments in non-CCOs are carried at their fair value based on future cash flows at a discount rate of 4.77 per cent (2024: 5.18 per cent). The change in discount rate used in the fair value calculation resulted in a net movement down $0.02 million (2024: up $0.08 million) in the value of the equity securities.

Derivative financial instruments include interest rate swaps and forward foreign exchange contracts. These are discussed in Note 20.4.

Note 20. Financial instruments (continued)

20.2 Community loans

		Parent		Group	
		30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Principal		95,858	97,323	8,672	10,137
Principal repaid		(1,904)	(1,293)	(1,904)	(1,293)
Accumulated fair value adjustments		(32,674)	(33,386)	(1,068)	(1,277)
Opening balance at 1 July		**61,280**	**62,644**	**5,700**	**7,567**
Amount of new loans granted during the year		-	2,545	-	2,545
Fair value adjustment on initial recognition		-	(878)	-	(878)
Loans repaid during the year (principal and interest)		(370)	(2,238)	(370)	(2,238)
Unwind of discount and interest charged		1,814	(793)	(189)	(1,296)
Closing balance before expected credit loss adjustment at 30 June		**62,724**	**61,280**	**5,141**	**5,700**
Opening loss allowance at 1 July		(14,408)	(16,379)	(2,357)	(4,781)
Loss allowance movement		(1,423)	1,971	380	2,424
Closing loss allowance at 30 June		**(15,831)**	**(14,408)**	**(1,977)**	**(2,357)**
Balance community loans at year end	20.1	**46,893**	**46,872**	**3,164**	**3,343**

Commentary / Korerotanga

The Parent's community loans scheme is designed to help organisations to develop or improve new or existing facilities and other major projects that benefit the community. Loans are for a maximum of 10 years and interest is between 0% - 5.4% per annum including non-interest bearing loans with a face value of $49.6 million (30 June 2024: $52.7 million). Loans are advanced to the Ōtautahi Community Housing Trust, Theatre Royal Charitable Foundation, Christchurch Stadium Trust, Piano Centre for Music and Arts, Canterbury Cricket Trust, and other community groups.

The fair value of loans at initial recognition has been determined using cash flows over the term of the loan discounted at the Parent's effective borrowing cost of 4.77% (30 June 2024: 5.18%). Subsequent impairments (if any) are based on the loan recipient's assessed financial risk factors, the impact of which in 2025 is a downward movement of $1.4million. The overall fair value of community loans is $46.9 million (30 June 2024: $46.9 million). During the year no loans were issued and $0.37 million were repaid.

Note 20. Financial instruments (continued)

20.3 Borrowings and other financial liabilities

Accounting Policy / Kaupapahere Kaute

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in surplus or deficit over the period of the borrowings on an effective interest basis.

Derivative Financial Instruments

The Council uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities, in accordance with the treasury policies of the respective Group entities. The Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially and subsequently at fair value. Changes in fair value are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship. (see Note 20.4)

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Borrowings from external parties	2,732,429	2,489,338	4,533,989	4,159,593
Borrowings from group entities	798	758	-	-
Total borrowings	**2,733,227**	**2,490,096**	**4,533,989**	**4,159,593**
Derivative financial instrument liabilities	35,286	-	53,365	1,998
Finance lease liabilities	76,155	80,509	62,779	54,957
Total borrowings and other financial liabilities	**2,844,668**	**2,570,605**	**4,650,133**	**4,216,548**

Total current borrowings	470,356	300,729	523,514	859,885
Total non-current borrowings	2,262,871	2,269,876	4,010,475	3,354,666
Total borrowings	**2,733,227**	**2,570,605**	**4,533,989**	**4,214,551**
Total current borrowings and other financial liabilities	476,893	300,730	531,534	859,884
Total non-current borrowings and other financial liabilities	2,367,775	2,269,875	4,118,599	3,356,664
Total borrowings and other financial liabilities	**2,844,668**	**2,570,605**	**4,650,133**	**4,216,548**

Note 20. Financial instruments (continued)

Commentary / Korerotanga

Parent

The Parent's borrowing from external parties is comprised of debt securities issued at either floating or fixed interest rates: Floating rate debt amounts to $2,303 million (2024: $2,124 million), with interest based on the three month bank bill reference rate plus a weighted average margin of 0.72% (2024: 0.64%); Fixed rate debt amounts to $429 million (2024: $366 million), at a weighted average interest rate of 4.72% (2024: 4.5%). Borrowings mature at different intervals, ranging from 2025 to 2035.

Council has entered into interest rate swap contracts to hedge the floating interest rate risk on this external borrowing (see Note 20.6 for Council's risk management strategy). $1,603 million of such contracts were current at financial year-end, and a further $475 million were contracted to start in future periods (usually to coincide with the expiry of current contracts). The overall effective weighted average interest rate paid by Council on its external borrowings at financial year-end (including floating rate debt, fixed rate debt, and the impact of interest rate swap hedging contracts) was 4.54% (2024: 5.32%).

During the financial year, the Parent borrowed $533.3 million (2024: $680.2 million) to advance to subsidiaries, refinance debt maturities and fund capital expenditure. A total of $290.2 million (2024: $371.9 million) of debts were repaid during the year.

Council also has $200 million of committed bank facilities to support its liquidity position. These facilities expire between December 2025 and December 2026, and none had any drawings at financial year-end.

The Parent's debts are secured over its rates income.

In addition to external borrowings, the Parent has borrowed a total of $91.5 million (2024: $91.5 million) from its Capital Endowment Fund with terms ranging between 1 - 4 years. Interest of $3.9 million (2024: $2.7 million) was charged by the Fund.

Group

Christchurch City Holdings Limited

Nature of Debt	2025 $m	Maturity Profile Less than 1 year ($m)	1-2 years ($m)	2-5 years ($m)	Over 5 years ($m)	2024 $m
Floating rate notes	75	-	-	75	-	50
Loans from CCC	604	180	150	174	100	681
Bonds	479	-	150	150	179	447
Commercial paper	60	60	-	-	-	60
Undrawn borrowing facility	100	100	-	-	-	100

All borrowings at 30 June 2025 are unsecured. CCHL has issued uncalled capital of $1.5b (2024: $1.5b) to support it's borrowings.

Bonds and Floating rate notes are issued under a Master Trust Deed. Fixed Rate Bonds have a nominal principal amount of $479m (2024: $450m) and include a $150m sustainability bond issued in October 2021, maturing in November 2026. The carrying value includes the impact of fair value hedges. Floating rate notes issued under the Trust Deed total $75m (2024 $50m).
Commercial paper is issued under a separate $200m Commercial paper programme. CCHL has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

Note 20. Financial instruments (continued)

Orion New Zealand

Nature of Debt	2025 $m	Maturity Profile Less than 1 year ($m)	Maturity Profile 1-2 years ($m)	Maturity Profile 2-5 years ($m)	Maturity Profile Over 5 years ($m)	2024 $m
Loans from external parties	208	43	105	60	-	135
Floating rate notes	340	-	-	45	295	340
Undrawn borrowing facility	42	32	10	-	-	40

All bank loans are unsecured, however a deed of negative pledge requires Orion to comply with certain covenants to its key lenders. The US Private Placement floating rate notes are also unsecured. The Note Purchase agreement with the US investors has terms which are substantially similar to those in the negative pledge deed referred to above. Orion has complied with all terms of the agreement during the years ended 31 March 2025 and 30 June 2025.

In addition to the above, Orion has a loan from CCHL of $100m (2024: $100m).

Christchurch International Airport Ltd

Nature of Debt	2025 $m	Maturity Profile Less than 1 year	Maturity Profile 1-2 years ($m)	Maturity Profile 2-5 years ($m)	Maturity Profile Over 5 years ($m)	2024 $m
Loans from external parties	293	25	-	-	268	282
Bonds	280	-	-	-	280	274
Undrawn borrowing facility	92	-	75	17	-	93

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The bond funding has a face value of $275m and constitutes direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior years, there were no defaults or breaches on any of the borrowing facilities.

CIAL was in compliance with all of its current financial covenants during the current and prior years.

Lyttelton Port Company Ltd

Nature of Debt	2025 $m	Maturity Profile Less than 1 year ($m)	Maturity Profile 1-2 years ($m)	Maturity Profile 2-5 years ($m)	Maturity Profile Over 5 years ($m)	2024 $m
Loans from external parties	53	-	-	53	-	77
Undrawn borrowing facility	72	-	-	72	-	48

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. In addition to the above, LPC has a loan from CCHL of $150m (2024: $150m).

Note 20. Financial instruments (continued)

City Care Limited						
Nature of Debt	**2025 $m**	**Maturity Profile Less than 1 year ($m)**	**Maturity Profile 1-2 years ($m)**	**Maturity Profile 2-5 years ($m)**	**Maturity Profile Over 5 years ($m)**	**2024 $m**
Undrawn borrowing facility	10	-	10	-	-	10
Citycare has a loan from CCHL of $33m (2024: $40m)						

Enable Services Ltd, EcoCentral Ltd, Development Christchurch Ltd and RBL Property Ltd.

These companies had no external debt as at 30 June 2025 (2024: Nil). Enable has a loan from CCHL of $294m (2024: $294m).

20.4 Hedging activities and derivatives

	Parent		**Group**	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Derivatives designated as hedging instruments				
Interest rate swaps	12,044	27,423	31,246	85,723
Total derivative financial instrument assets	**12,044**	**27,423**	**31,246**	**85,723**
Derivatives designated as hedging instruments				
Interest rate swaps	(35,286)	-	(53,365)	(1,998)
Total derivative financial instrument liabilities	**(35,286)**	**-**	**(53,365)**	**(1,998)**
Net derivative financial instrument assets (liabilities)	**(23,242)**	**27,423**	**(22,119)**	**83,725**
Total current derivative assets	-	189	661	12,931
Total non-current derivative assets	12,044	27,234	30,585	72,792
Total derivative financial instrument assets	**12,044**	**27,423**	**31,246**	**85,723**
Total current derivative liabilities	(1,049)	-	(1,866)	-
Total non-current derivative liabilities	(34,237)	-	(51,499)	(1,998)
Total derivative financial instrument liabilities	**(35,286)**	**-**	**(53,365)**	**(1,998)**

Commentary / Korerotanga

Most derivative instruments are “pay fixed” interest rate swaps, used to effectively convert floating rate debt to fixed rates.

The continuing and discontinued hedges reserve balances are summarised below:

	Parent	
	2025 $'000	**2024 $'000**
Continuing hedges	(19,616)	36,897
Discontinued hedges	(3,626)	(9,477)
Total	**(23,242)**	**27,420**

Note 20. Financial instruments (continued)

The notional values of interest rate swaps are summarised below:

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Interest rate swaps				
Less than 1 year	125,000	158,500	378,000	600,500
1 to 2 years	125,000	65,000	400,000	338,000
2 to 5 years	891,000	527,000	2,026,000	1,546,000
More than 5 years	936,500	790,500	2,171,500	1,400,500
Total	**2,077,500**	**1,541,000**	**4,975,500**	**3,885,000**

Derivative contracts are entered into to hedge against any exposure to underlying risks associated with the hedged item (normally borrowing). The risk management strategy of the Council and Group are discussed in note 20.6 of the financial statements.

Derivative contracts are recognised initially and subsequently at fair value. Changes in fair value are based on the prevailing market rates at valuation date and are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense, limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. If the hedging relationship ceases to meet the criteria for hedge accounting any gain or loss recognised in other comprehensive revenue and expense and accumulated in equity at that time remains in equity and is recognised in surplus or deficit when the forecast transaction is ultimately recognised. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in surplus or deficit.

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in surplus or deficit, together with changes in the fair value of the hedged asset or liability. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in surplus or deficit. If the hedging relationship ceases to meet the criteria for hedge accounting the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to surplus or deficit from that date.

Council and Group derivative financial instruments include the following:

Interest rate swaps

Interest rate swaps are used to hedge the interest rate risk on outstanding borrowings. They may be designated as either Cash Flow Hedges (i.e. converting floating rate borrowing into fixed interest rates) or Fair Value Hedges (i.e. converting fixed rate borrowing into floating interest rates).

Hedge relationships are normally established with a hedge ratio of 1:1 meaning that the risk of each interest rate swap is identical to its related hedged item. Potential sources of hedge ineffectiveness include:

- Different interest rate curves applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

At 30 June 2025, the Council had interest rate swaps in place with a notional amount of $2.078 billion (2024: $1.541 billion) where the Council pays a weighted average fixed interest rate of 3.99% (2024: 4.12%).

Forward exchange rate contracts

Forward exchange rate contracts are intended to hedge exposure to changes in foreign exchange rates. Exposure may arise from significant future import expenditure or from foreign-currency denominated assets and liabilities.
These contracts are carried at their fair value based on prevailing market foreign exchange rates at valuation date.

Note 20. Financial instruments (continued)

20.5 Classification and fair value of financial instruments

Accounting Policy / Kaupapahere Kaute

Categories of financial assets and liabilities

Financial instruments are classified into one of the following categories:

- Financial assets and liabilities carried at amortised cost,
- Financial assets and liabilities measured at fair value through surplus and deficit,
- Financial assets measured at fair value through other comprehensive revenue and expense.

The classification into each category depends on the nature and management's intention over the financial instruments.

There were no transfers between categories during the year (2024: Nil).

Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are categorised within the fair value hierarchy described below:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following methods and assumptions were used to estimate fair value for each class of financial instrument for which it is practicable to estimate such value:

- **Borrower notes and loans**

Fixed rated instruments with quoted market prices are based on the quoted market price as of valuation date (Level 1) and for non-quoted securities, fair values were determined using discounted cash flow based on market observable rates (Level 2). Instruments with floating interest rates approximate fair value because of recent and regular repricing based on market conditions (Level 2).

The fair values of non-interest bearing loans are determined using discounted cash flow based on Council's effective cost of borrowing for the year (calculated based on applicable market rate plus Council's credit spread) (Level 2). Foreign-currency denominated debt instruments are valued based on discounted future cash flows using the prevailing foreign exchange rate at valuation date (Level 2).

- **Derivative financial instruments**

The fair values were computed as the present value of estimated future cash flows using market interest rates as at valuation date. The valuation techniques consider various inputs including the credit quality of counterparties (Level 2). The fair value forward exchange rate contracts are determined based on the discounted future cash flow using the market currency exchange and interest rates between the New Zealand dollar and relevant foreign currency at valuation date.

- **Share investments**

Financial investments measured at fair value through other comprehensive revenue and expense consist of equity investments in subsidiaries, associates and other entities. Fair value of equity instruments with quoted market prices were determined using the quoted prices (Level 1). Where there is no active market, investments are revalued based on available market inputs observable and unobservable entity specific information affecting the assets being revalued less any accumulated impairment losses. These investments primarily include investments in subsidiary entities where Council and Group have involved external valuers to perform the valuation. These investments are classified as Level 3 financial instruments for purposes of fair value determination.

- **Borrowings**

Fixed rate debt is recognised in the financial statements at amortised cost, except for any portions which have been designated as part of a fair value hedge, which are held at fair value through surplus or deficit. Fair values are determined using discounted cash flow based on market observable rates (Level 2).

Note 20. Financial instruments (continued)

The table below summarises the classification of financial assets and liabilities as to their respective categories including their relevant carrying and fair values.

			Parent			
			Carrying amount	Carrying amount	Fair value	Fair value
	Fair value level	Measurement basis	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Financial assets carried at amortised cost						
Cash and cash equivalents		Amortised cost	210,868	127,347	210,868	127,347
Trade and other receivables		Amortised cost	78,759	139,139	78,759	139,139
Loans advanced to CCOs		Amortised cost	657,909	743,409	657,909	743,409
Term deposits		Amortised cost	-	-	-	-
			947,536	**1,009,895**	**947,536**	**1,009,895**
Financial assets through surplus or deficit						
Borrower notes	2	Fair value	74,619	53,176	74,619	53,176
Community loan	2	Fair value	46,893	46,872	46,893	46,872
			121,512	**100,048**	**121,512**	**100,048**
Financial assets through other comprehensive revenue and expense						
Share investment in subsidiaries	3	Fair value	4,280,215	3,632,094	4,280,215	3,632,094
Share investment in other CCOs	3	Fair value	11,625	10,666	11,625	10,666
Share investment in non-CCOs	3	Fair value	206	228	206	229
Derivative assets designated as hedging instrument	2	Fair value	12,044	27,423	12,044	27,423
			4,304,090	**3,670,411**	**4,304,090**	**3,670,412**
Financial liabilities carried at amortised cost						
Creditors and other payables	2	Amortised cost	126,708	133,628	126,708	133,628
Borrowings	2	Amortised cost	-	2,570,605	2,761,803	2,486,461
			126,708	**2,704,233**	**2,888,511**	**2,620,089**
Financial liabilities through other comprehensive revenue and expense						
Derivative liabilities designated as hedging instrument	2	Fair value	35,286	**-**	35,286	**-**
			35,286	-	**35,286**	-

Note 20. Financial instruments (continued)

	Fair value level	Measurement basis	Group Carrying amount 30 June 2025	Carrying amount 30 June 2024	Fair value 30 June 2025	Fair value 30 June 2024
Financial assets carried at amortised cost						
Cash and cash equivalents		Amortised cost	316,574	222,551	316,574	222,551
Trade and other receivables		Amortised cost	223,107	280,720	223,107	280,720
Loans advanced to non-CCOs		Amortised cost	12,723	13,096	12,723	13,096
Term deposits		Amortised cost	21,978	28,622	21,978	28,622
			574,382	**544,989**	**574,382**	**544,989**
Financial assets through surplus or deficit						
Borrower notes	2	Fair value	74,619	53,176	74,619	53,176
Community loan	2	Fair value	3,164	3,343	3,164	3,343
Derivative assets designated as hedging instrument	2	Fair value	19,202	58,300	19,202	-
			96,985	**114,819**	**96,985**	**56,519**
Financial assets through other comprehensive revenue and expense						
Share investment in subsidiaries	3	Fair value	-	-	-	-
Share investment in other CCOs	3	Fair value	11,625	10,666	11,625	10,666
Share investment in non-CCOs	3	Fair value	496	519	496	519
Derivative assets designated as hedging instrument	2	Fair value	12,044	27,423	12,044	27,423
			24,165	**38,608**	**24,165**	**38,608**
Financial liabilities through other comprehensive revenue and expense						
Borrowings	2	Fair value	57,737	68,368	57,737	-
Derivative liabilities designated as hedging instrument	2	Fair value	53,365	1,998	53,365	1,998
			111,102	**70,366**	**111,102**	**1,998**
Financial liabilities carried at amortised cost						
Creditors and other payables		Amortised cost	263,532	250,673	266,799	251,288
Borrowings		Amortised cost	4,539,029	4,146,183	4,491,449	4,058,848
			4,802,561	**4,396,856**	**4,758,248**	**4,310,136**

Note 20. Financial instruments (continued)

The table below summarises the reconciliation of movements in the Level 3 financial instruments:

	Parent		Group	
	30 June 2025 $'000	**30 June 2024 $'000**	**30 June 2025 $'000**	**30 June 2024 $'000**
Opening carrying value	3,642,988	3,419,335	11,185	10,536
Valuation movements	649,058	223,653	936	649
Closing carrying value	**4,292,046**	**3,642,988**	**12,121**	**11,185**

Commentary / Korerotanga

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

20.6 Financial risk management

Risk Management Policy / Kaupapahere Whakahaere Risk

Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies to the financial statements.

Financial risks

The risks associated with the financial assets and liabilities of the Council and Group include market risk, liquidity risk and credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk relates to the risk that the fair value of a fixed debt instrument or future cash flow of a floating debt instrument will fluctuate due to changes in the underlying market interest rate.

The Council and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts.

Currency risk

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Council has little exposure to foreign currency risk and under normal circumstances has no exposure to hedge. The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand dollars.

Note 20. Financial instruments (continued)

These currencies are primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts. The Group enters into forward foreign exchange contracts or currency swap contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on the Group's results and cash flows. The Group has assessed that a reasonably possible change in foreign exchange rates (a 10 per cent variance either way) would not have a significant impact on surplus or equity.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Commodity price and demand risk

Within the Group some operations can be significantly impacted by fluctuations in commodity prices and international demand for certain products. Any residual risk is not considered material to the Group.

Interest rate risk management

The following tables summarise the Council's and Group's interest rate re-pricing analysis with respect to its financial assets and liabilities subject to interest rate risk:

Parent

	Carrying amount $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	5+ years $'000
30 June 2025					
Cash and cash equivalents	210,868	210,868	-	-	-
Loans advanced to CCOs	657,909	553,900	16,200	37,485	50,324
Community loans	46,893	298	302	898	45,395
Borrower notes	74,619	63,508	172	2,415	8,524
Borrowings	(2,732,429)	(638,958)	(10,506)	(846,465)	(1,236,500)
Borrowings from group entities	(798)	(798)	-	-	-
Finance lease liability (net settled)	(76,155)	(10,461)	(9,696)	(26,046)	(29,952)
	(1,819,093)	**178,357**	**(3,528)**	**(831,713)**	**(1,162,209)**
30 June 2024					
Cash and cash equivalents	127,347	127,347	-	-	-
Loans advanced to CCOs	743,409	635,700	-	54,900	52,809
Community loans	46,873	285	310	1,011	45,267
Borrower notes	53,175	48,393	34	1,154	3,594
Borrowings	(2,489,337)	(937,758)	(33,008)	(517,071)	(1,001,500)
Borrowings from group entities	(758)	(758)	-	-	-
Finance lease liability (net settled)	(80,509)	(9,764)	(9,625)	(25,569)	(35,551)
	(1,599,800)	**(136,555)**	**(42,289)**	**(485,575)**	**(935,381)**

Note 20. Financial instruments (continued)

Group

	Carrying amount $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	5+ years $'000
30 June 2025					
Cash and cash equivalents	316,574	316,574	-	-	-
Loans advanced to non CCOs	12,723	12,723	-	-	-
Community loans	3,164	298	302	900	1,664
Borrower notes	74,619	63,508	172	2,415	8,524
Term Deposits	21,978	21,978	-	-	-
Borrowings	(4,533,984)	(1,186,439)	(477,971)	(1,298,192)	(1,571,382)
Finance lease liability (net settled)	(62,779)	(2,638)	2,501	(24,861)	(37,781)
	(4,167,705)	**(773,996)**	**(474,996)**	**(1,319,738)**	**(1,598,975)**
30 June 2024					
Cash and cash equivalents	222,551	222,551	-	-	-
Loans advanced to non CCOs	13,096	13,096	-	-	-
Community loans	3,343	284	310	1,011	1,738
Borrower notes	53,176	48,394	34	1,154	3,594
Term deposits	28,622	28,622	-	-	-
Borrowings	(4,159,594)	(1,488,223)	(102,708)	(997,549)	(1,571,114)
Finance lease liability (net settled)	(54,957)	(55,065)	6,667	(16,269)	9,710
	(3,893,763)	**(1,230,341)**	**(95,697)**	**(1,011,653)**	**(1,556,072)**

Commentary / Korerotanga

This re-pricing analysis includes the effects of interest rate swap contracts which the Parent and Group have entered into to hedge against the risk of market rate fluctuations. The notional amount and maturities of interest rate swap contracts are presented in Note 20.4 of the financial statements.

Interest Rate Benchmark Reform
Council's exposure to financial markets benchmarks is limited to the New Zealand 90 Day Bank Bill interest rate ("BKBM") on its borrowings, financial assets, and related interest rate derivative instruments – Council has no material exposure to currency benchmarks or the interest rate benchmarks of other countries. An alternative benchmark interest rate has not yet been defined for New Zealand.

Council has maintained informal discussions about benchmark reform with its lenders and derivatives providers for a number of years and will continue to do so as a suitable replacement benchmark for New Zealand interest rates is considered, developed, and established. Council considers that the impact of benchmark reform on its overall cost of borrowing will be minimal, because Council's policies and practices around borrowing and interest rate hedging means that most Council debt is effectively borrowed at a fixed rate – that is, Council's "pay floating" exposure to BKBM from its borrowings is largely off-set by its "receive floating" BKBM exposure from its financial assets and interest rate derivative instruments.

Council has not adjusted its risk management policies, practices, or reporting in anticipation of benchmark reform, and no such adjustment is considered necessary as at the date of this Report.

Interest rate sensitivity analysis
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of investments and borrowings affected (including the impact of hedging instruments). With all other variables held constant, the Group's surplus before tax and net asset position are affected through the impact on floating rate investments and borrowings, as follows:

Note 20. Financial instruments (continued)

	Parent		Group	Group
	Surplus or deficit (pre-tax) $'000	Net asset / equity (pre-tax) $'000	Surplus or deficit (pre-tax) $'000	Net asset / equity (pre-tax) $'000
30 June 2025				
100 basis points increase	2,015	77,241	(1,985)	107,241
100 basis points decrease	(2,015)	(81,903)	1,985	(111,903)
30 June 2024				
100 basis points increase	3,182	55,421	(1,408)	83,577
100 basis points decrease	(3,182)	(58,669)	1,408	(86,825)

Currency risk management

The Group's exposure to foreign currency transactions includes foreign currencies held on hand as stated in Note 16.

Commentary / Korerotanga

The CCHL Group has some exposure to foreign currency risk as a result of transactions that are denominated in a foreign currency - primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts. The impact of a possible change in foreign exchange rates (a 10 percent variance either way) would not have a significant impact on comprehensive revenue and expense or equity.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its written investment policies. In general the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Council and Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Note 20. Financial instruments (continued)

Parent

30 June 2025	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	5+ years $'000
Cash and cash equivalents	210,868	210,868	210,868	-	-	-
Trade and other receivables	78,759	90,124	90,124	-	-	-
Loans advanced to CCOs	657,909	712,073	205,214	170,021	213,399	123,439
Borrower notes	74,619	98,851	12,622	8,750	37,062	40,417
Community loans	46,893	46,692	298	302	898	45,194
Creditors and other payables	(126,708)	(126,213)	(126,213)	-	-	-
Borrowings - external	(2,732,429)	(3,240,831)	(574,663)	(423,015)	(1,283,927)	(959,226)
Finance lease liability (net settled)	(76,155)	(76,030)	(10,336)	(9,696)	(26,046)	(29,952)
Derivative financial instruments	(23,242)	(25,604)	(12,777)	(12,155)	(10,997)	10,325
Borrowings - related parties	(798)	(798)	(798)	-	-	-
Net contractual inflows / (outflows)	**(1,890,284)**	**(2,310,868)**	**(205,661)**	**(265,793)**	**(1,069,611)**	**(769,803)**
30 June 2024						
Cash and cash equivalents	127,347	127,347	127,347	-	-	-
Trade and other receivables	139,139	120,672	120,672	-	-	-
Loans advanced to CCOs	743,409	834,038	171,414	209,780	276,659	176,185
Borrower notes	53,175	73,254	6,895	12,790	24,598	28,971
Community loans	46,872	46,872	284	310	1,011	45,267
Borrowings- related parties	(758)	(758)	(758)	-	-	-
Creditors and other payables	(133,628)	(132,193)	(132,193)	-	-	-
Borrowings - external	(2,489,338)	(3,046,086)	(434,001)	(576,255)	(1,093,732)	(942,098)
Finance lease liability (net settled)	(80,509)	(80,509)	(9,764)	(9,625)	(25,569)	(35,551)
Derivative financial instrument	27,423	32,418	16,420	8,083	2,110	5,805
Net contractual inflows / (outflows)	**(1,566,868)**	**(2,024,945)**	**(133,684)**	**(354,917)**	**(814,923)**	**(721,421)**

Note 20. Financial instruments (continued)

Group

30 June 2025	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	5+ years $'000
Cash and cash equivalents	316,574	316,574	316,574	-	-	-
Trade and other receivables	223,107	(319,973)	201,766	(162,458)	(189,324)	(169,957)
Borrower notes	74,619	98,851	12,622	8,750	37,062	40,417
Community loans	3,164	3,235	298	302	898	1,737
Loans advanced to non-CCOs	12,723	13,136	413	12,723	-	-
Term deposits	21,978	21,979	21,979	-	-	-
Creditors and other payables	(263,532)	(263,033)	(263,033)	-	-	-
Borrowings - external	(4,533,989)	(4,690,505)	(770,263)	(890,480)	(1,749,632)	(1,280,130)
Finance lease liability (net settled)	(62,779)	(62,620)	(2,514)	2,501	(24,861)	(37,746)
Derivative financial instrument	(22,119)	(24,481)	(12,777)	(12,155)	(10,997)	11,448
Net contractual inflows / (outflows)	**(4,230,254)**	**(4,906,837)**	**(494,935)**	**(1,040,817)**	**(1,936,854)**	**(1,434,231)**
30 June 2024						
Cash and cash equivalents	222,551	222,549	222,549	-	-	-
Trade and other receivables	280,720	(400,867)	226,953	(201,508)	(258,731)	(167,581)
Loans advanced to non CCOs	13,096	15,804	1,379	413	14,012	-
Borrower notes	53,175	73,254	6,895	12,790	24,598	28,971
Community loans	3,343	3,343	284	310	1,011	1,738
Term deposits	28,622	26,896	26,896	-	-	-
Creditors and other payables	(250,673)	39,365	39,365	-	-	-
Borrowings - external	(4,159,593)	(5,145,367)	(1,066,008)	(740,765)	(1,859,087)	(1,479,507)
Finance lease liability (net settled)	(54,957)	(89,899)	(9,269)	(20,266)	(28,945)	(31,419)
Derivative financial instrument	83,725	73,704	31,756	19,248	14,526	8,174
Net contractual inflows / (outflows)	**(3,779,991)**	**(5,181,218)**	**(519,200)**	**(929,778)**	**(2,092,616)**	**(1,639,624)**

Commentary / Korerotanga

The Parent is exposed to liquidity risk as a guarantor of all of LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. The exposure relating to the guarantee is noted as a contingency but is not classified as a contingent liability by the Parent and Group and is explained further in Note 27.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and short-term investments, trade receivables, loans and interest rate swaps. The Council and Group places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective members of the Group.

The Council's investment policy includes parameters for investing in financial institutions and other organisations which, where applicable, have the required Standard and Poor's credit ratings. These credit ratings are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

Note 20. Financial instruments (continued)

Commentary / Korerotanga

The Parent applies a lifetime expected credit loss of 80 per cent to community loans that are assessed as having a high credit risk based on the likelihood of repayment. Recipients that are paying their loans are considered to have a low credit risk have no expected credit loss applied.

The Parent has written off lifetime expected credit losses at fair value through surplus and deficit.

The carrying value is the maximum exposure to credit risk for bank balances and accounts receivable. No collateral is held in respect of these financial assets.

The Parent's receivables mainly arise from statutory functions. Procedures are in place to monitor the credit quality of debtors and other receivables with reference to internal or external credit ratings and where appropriate security must be provided to secure credit terms.

The Parent has no significant concentrations of credit risk in relation to these receivables, as it has a large number of credit customers, mainly ratepayers, and the Parent has powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Parent's trade debtors and other receivables amounted to $79 million (2024: $139 million).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various segments with similar loss patterns. There is some concentration of credit risk within the group in relation to trade receivables, however all of these major customers are considered to be of high credit quality, and as such on a Group-wide basis, it is not considered that there is a significant risk of losses arising. Geographically there is no significant credit risk concentration for the Group outside New Zealand.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due to avoid a possible past due status other than some trade receivables.

The Group's trade debtors and other receivables amounted to $223 million (2024: $281 million).

The following table summarises the Council and Group's counterparty credit risks:

		Parent		Group	Group
		30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Cash and cash equivalents	AA	100,867	20,347	206,573	114,661
	A	110,000	107,000	110,000	107,890
Term deposits	AA	-	-	21,979	28,622
	A	-	-	-	-
Loans advanced to CCOs	AA	604,400	681,200	-	-
	Less than BBB/ unrated	53,509	62,209	-	-
Loans advanced to non CCOs	Less than BBB/ unrated	-	-	12,723	13,096
Community loans	Less than BBB/ unrated	46,893	46,872	3,164	3,343
Borrowers notes	AAA	74,619	53,176	74,619	53,176
Derivative financial instrument assets	AA	12,044	27,212	31,246	82,231
	A	-	211	-	3,492
		1,002,332	**998,227**	**460,304**	**406,511**

The Parent's credit risk from balances with banks and financial institutions is managed by the Council's treasury department in accordance with the Council's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the treasury department on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

Note 20. Financial instruments (continued)

Commentary / Korerotanga

Term deposits only include deposits whose original term is 3 months or longer. The Group only invests in instruments with very low credit risk.

The Group has recognised no provision for expected credit losses on any debt securities (including LGFA Borrower Notes) at fair value through other comprehensive revenue and expense.

Note 21. Finance lease receivables

Accounting Policy / Kaupapahere Kaute

As lessor
Leases in which substantially all of the risks and rewards of ownership transfer to the lessor are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

	Parent	Parent	Group	Group
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
No later than one year	-	-	2,627	67
Later than one year and not later than five years	-	-	13,616	381
Later than five years	-	-	(9,286)	(229)
Minimum lease receivables	**-**	**-**	**6,957**	**219**
Less future finance charges	-	-	(6,958)	(235)
Present value of minimum lease receivables	**-**	**-**	**(1)**	**(16)**
Present value of future minimum lease receivables				
No later than one year	-	-	2,424	(118)
Later than one year and not later than five years	-	-	(1,601)	62
Later than five years	-	-	(824)	40
Present value of future minimum lease receivables	**-**	**-**	**(1)**	**(16)**
Represented by				
Current portion	-	-	2,425	(118)
Non-current portion	-	-	(2,425)	102
Total	**-**	**-**	**-**	**(16)**

Note 22. Finance lease liabilities

Accounting Policy / Kaupapahere Kaute

As lessee

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

	Parent	Parent	Group	Group
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
No later than one year	10,743	11,079	7,490	8,123
Later than one year and not later than five years	44,312	47,778	32,668	29,945
Later than five years	49,669	66,679	40,325	42,257
Minimum lease payments	**104,724**	**125,536**	**80,483**	**80,325**
Less future finance charges	(28,569)	(45,027)	(17,704)	(25,368)
Present value of minimum lease payments	**76,155**	**80,509**	**62,779**	**54,957**
Minimum future lease payments				
No later than one year	5,488	9,763	4,907	13,533
Later than one year and not later than five years	27,785	35,195	23,622	20,301
Later than five years	42,882	35,551	34,250	21,123
Total present value of future minimum lease payments	**76,155**	**80,509**	**62,779**	**54,957**
Represented by				
Current portion	5,488	9,764	6,154	10,137
Non-current portion	70,667	70,745	56,625	44,820
Total	**76,155**	**80,509**	**62,779**	**54,957**

Commentary / Korerotanga

The Parent leases the Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCBJV) in August 2010. CBL is a wholly owned Council subsidiary which holds a 50 per cent interest in the unincorporated joint venture with NTPL. The lease has an initial term of 24 years with three rights of renewal of 24 years and the note above includes only the first lease term. The annual lease payment is $10.8 million plus GST.

The group finance lease liability above also includes agreements between Orion and Transpower New Zealand Ltd (Transpower) for Transpower to install new assets at or near its local grid exit points, and for the lease of properties in the Wellington and Central Otago areas. The agreements have remaining terms of between 1 and 29 years (2024: between 0 and 30 years). Orion does not own the assets at the end of the lease term and there is no residual value. There is no security provided for the arrangements. The monthly payment amounts are reviewed periodically by Transpower based on prevailing interest rates and agreed margins.

Note 23. Construction contracts

Accounting Policy / Kaupapahere Kaute

Contract assets are initially recognised at fair value. They are subsequently adjusted for credit impairment loss. The Group will recognise a contract asset for work performed where they do not have an unconditional right to consideration. Any amount previously recognised as contract asset is reclassified to trade receivables at the point which the Group has an unconditional right to consideration. If the payment received exceed the revenue recognised to date then the Group recognises a contract liability for difference.

The financing component in construction contracts with customers is not considered to be significant as the period between the recognition of revenue and receipt of payment is always less than one year.

There has been no change in the estimation techniques or significant assumptions made during the current report period in assessing the loss allowance for the amount due from customers under construction contracts.

	Parent		**Group**	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Contract costs incurred	-	-	56,580	46,351
Progress billings	-	-	54,685	56,314
Gross amounts due from customers	-	-	5,907	5,827
Gross amounts due to customers	-	-	139	104

Note 24. Employee benefits

Accounting Policy / Kaupapahere Kaute

A single cash payment in compensation for work, where the employee is responsible for and able to individually decide how best to use their remuneration to meet their needs over time in the mix and type of benefits purchased. Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

Salaries and Wages
Salaries and wages are recognised as an expense as employees provide services. Adjusted as noted in the table below for capitalised wages.

Short-term entitlements
These are liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately before the reporting date. Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Liabilities for accumulating short-term compensated absences (e.g. sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately before the reporting date that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

Long-term entitlements
These included retiring gratuities and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on (i) likely future entitlements accruing to employees, based on years of service, years to entitlement, (ii) the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and (iii) the present value of the estimated future cash flows.

Kiwisaver & superannuation
Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in surplus or deficit when incurred. Superannuation is provided as a percentage of remuneration.

24.1 Personnel Cost

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Salaries and wages	246,424	222,924	637,315	602,508
Salaries and wages capitalised	(43,327)	(19,784)	(43,327)	(19,784)
Defined contribution plan employer contributions	6,632	5,874	9,143	7,976
Defined benefit plan employer contributions	-	-	-	1,047
Increase/(decrease) in employee entitlements/liabilities	3,013	1,771	3,997	2,084
Other personnel costs	-	-	432	444
Total personnel costs	**212,742**	**210,785**	**607,560**	**594,275**

Commentary / Korerotanga

The full financial impact of the Holiday Pay Remediation Project is expected to be $4.9 million. This cost was recognised in the 2021 financial statements. To date the Council has paid $3.05 million to former and current employees.

Note 24. Employee benefits (continued)

24.2 Employee Entitlements

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current portion				
Annual leave	20,275	18,924	53,525	44,391
Retirement and long service leave	2,173	1,888	4,878	6,373
Accrued pay	5,807	4,391	11,467	14,135
Sick Leave, bonuses and other	256	256	3,196	3,110
	28,511	25,459	73,066	68,009
Non-current portion				
Retirement and long service leave	2,367	2,406	6,244	6,307
Total employee entitlements	**30,878**	**27,865**	**79,310**	**74,316**

Commentary / Korerotanga

The provision for long service leave is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next five to ten years.

Note 25. Provisions

Accounting Policy / Kaupapahere Kaute

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
(a) Current provisions				
Landfill aftercare provision	1,372	2,650	1,372	2,650
Building related claims provision	940	1,623	940	1,625
Former employee holiday pay provision	1,522	1,522	1,522	1,521
Other - specify	-	-	2,472	2,182
	3,834	5,795	6,306	7,978
(b) Non-current provisions				
Landfill aftercare provision	12,305	13,589	12,305	13,589
Building related claims provision	3,759	4,420	3,759	4,420
Other - specify	-	-	1,931	2,953
	16,064	18,009	17,995	20,962
Total Provisions	**19,898**	**23,804**	**24,301**	**28,940**

25.1 Landfill aftercare

As operator of several closed landfill sites, including Burwood, the Council has a legal obligation to provide ongoing maintenance and monitoring services at these sites after closure. These include:

Closure responsibilities: final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; and completing facilities for monitoring and recovery of gas.

Post-closure responsibilities: treatment and monitoring of leachate; ground monitoring and surface monitoring; implementation of remedial measures needed for cover and control systems; and ongoing site maintenance for drainage systems, final cover and vegetation.

Closed landfills

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is $8.9 million (2024: $16.2 million). The discount rate used to calculate this provision is 5.15 per cent for Burwood landfill and other closed landfills (2024: 5.18 per cent).

The Council participates in the regional waste disposal joint venture run by Transwaste through its Kate Valley landfill site. This site has been granted resource consent for 35 years from the opening date of June 2005. The Council's ownership share of Transwaste is 38.9 per cent.

The provision is calculated based on the estimated amount required by the Council to meet its obligations for all equipment, facilities and services (these estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation), the estimated costs have been discounted to their present value using a discount rate based on the risk free spot rates, the estimated length of time needed for post-closure care is 35 years, the Council's legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for closure and post-closure treatment.

Note 25. Provisions (continued)

25.2 Building related claims

A provision has been recognised for the estimated cost of known weather tight and other building related claims currently outstanding. This includes those claims that are being actively managed by the Council as well as claims lodged with Council, WHRS and the High Court, but not yet being actively managed.

The provision is calculated based on the number of known claims, the average actual settlement costs and the average actual claims settled per year.

25.3 Other provisions

Other provisions include plant maintenance and other small provisions.

25.4 Movements in provisions

Parent	Landcare aftercare	Building related claims	Holiday Pay	Other	Total
Balance at 1 July 2023	14,594	7,697	1,589	-	23,880
Additional provisions made	3,633	225	76	-	3,934
Amounts used	(1,988)	(1,878)	(144)	-	(4,010)
Unused amounts reversed	-	-	-	-	-
Discount Unwinding	-	-	-	-	-
Balance at 30 June 2024	**16,239**	**6,044**	**1,521**	**-**	**23,804**
Additional provisions made	-	136	-	-	136
Amounts used	(562)	(1,480)	-	-	(2,042)
Unused amounts reversed	(2,000)	-	-	-	(2,000)
Balance at 30 June 2025	**13,677**	**4,700**	**1,521**	**-**	**19,898**

Group	Landcare aftercare	Building related claims	Holiday Pay	Other	Total
Balance at 1 July 2023	14,594	7,698	1,589	5,112	28,993
Additional provisions made	3,633	225	76	1,173	5,107
Amounts used	(1,988)	(1,878)	(144)	(389)	(4,399)
Unused amounts reversed	-	-	-	(771)	(771)
Discount Unwinding	-	-	-	10	10
Balance at 30 June 2024	**16,239**	**6,045**	**1,521**	**5,135**	**28,940**
Additional provisions made	-	136	-	(155)	(19)
Amounts used	(562)	(1,480)	-	(329)	(2,371)
Unused amounts reversed	(2,000)	-	-	(249)	(2,249)
Balance at 30 June 2025	**13,677**	**4,701**	**1,521**	**4,402**	**24,301**

Note 26. Other liabilities

	Parent		Group	
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Other Current liabilities				
Income in advance	23,045	25,118	30,528	35,058
Deferred income	-	-	565	1,578
Other	-	-	18,112	16,897
	23,045	25,118	49,205	53,533
Other Non-current liabilities				
Income in advance	-	-	1,545	1,906
Deferred Income	-	-	1,018	1,100
Other	-	-	383	231
	-	-	2,946	3,237
Total other liabilities	**23,045**	**25,118**	**52,151**	**56,770**
Income in advance				
Income in advance from non-exchange transactions:				
Grants and other revenue subject to condition	16,716	1,220	16,716	1,223
Advanced receipts	1,314	18,396	1,314	18,396
	18,030	19,616	18,030	19,619
Income in advance from exchange transactions	5,015	5,502	14,043	17,345
Total income in advance	**23,045**	**25,118**	**32,073**	**36,964**

Commentary / Korerotanga

Income in advance
Revenue in advance includes prepaid rates and other receivables of $15.03 million (2024 : $14.1 million) and prepaid building inspections of $5 million (2024 : $5.5 million). Also included is prepaid better off funding of $1.7 million. (2024 $1.7 million).

Service concession liability
The Parent's service concession arrangement relates to the Material Recovery Facility. Refer to Note 12 for the details of the arrangement including the amount of service concession assets and liabilities recognised by the Parent.

Note 27. Contingent liabilities and assets

Accounting Policy / Kaupapahere Kaute

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity and include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. A contingent liability is not recognised in the Statement of financial position, but are disclosed when the possibility of an outflow is not considered to be remote.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised in the statement of financial position, but they are disclosed when it is more likely than not that an inflow of benefits will occur.

	Parent		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Quantifiable Contingent Liabilities				
Performance Bonds	-	-	15,873	17,513
Uncalled Capital in LGFA	1,660	1,660	1,660	1,660
Uncalled Capital in CCHL	1,500,139	1,500,139	-	-
Uncalled Capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled Capital in Transwaste Canterburry Ltd	1,556	1,556	951	951
Christchurch Symphony Orchestra Guarantee	200	200	200	200
Legal Disputes	4,474	6,000	4,474	6,000
Total Quantifiable Contingent Liabilities	**1,518,029**	**1,519,555**	**23,158**	**26,324**

27.1 Contingencies

New Zealand Local Government Funding Agency
The Council is a shareholder of LGFA. LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard and Poor's of AA+.

The Council is one of 30 local government shareholders of LGFA (2024: 30), the other shareholder is the Crown. It has uncalled capital of $1.66 million. When aggregated with the uncalled capital of other shareholders, $20.0 million is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totalling $22.7 billion (2024: $20.6 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:
· it is not aware of any local authority debt default events in New Zealand; and
· local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

Associate contingencies
The Council's share of the contingencies of associates is $6.2 million (2024: $6.2 million). The contingencies relate to bonds with Transwaste's bankers in terms of resource consents granted to Transwaste. It is anticipated that no material liabilities will arise.

Christchurch Symphony Orchestra Guarantee
The Council has guaranteed a $200,000 bank overdraft for the Christchurch Symphony Orchestra.

Note 27. Contingent liabilities and assets (continued)

Current legal proceedings
There are current legal proceedings against the Council for nineteen specific issues and the potential for claims in eleven others. The amounts claimed in some proceedings and issues raised in respect of Council decisions in other proceedings are disputed.

Included in Council's current legal proceedings are proceedings on a number of building related matters. These matters span a variety of buildings and situations including earthquake related circumstances.

While every effort is made to calibrate Council response to the situation, the Council may have further liability which it has not yet been made aware of. For further detail on the Council's provisioning for building related claims see Note 25.

Suspensory loan
In 2006 the Council entered into an agreement with the Housing New Zealand Corporation (HNZ) to borrow $2.4 million from HNZ's Local Government Housing Fund. The loan is for a term of 20 years at 0 per cent interest from the date of drawdown (2008) and will cease to be repayable at the end of the term. The loan has a number of conditions which if not met require it to be repaid.

The Council considers that it will continue to meet the conditions of the loan and as such has not recognised a liability. Should Council fail to continue to meet the conditions of the loan it will need to repay the $2.4 million plus interest for the remaining term.

Riskpool – winding up
Christchurch City Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims, diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in Napier Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

27.2 Contingent Liabilities

Commentary / Korerotanga

The Parent has assessed its exposure to general building consent issues and has determined that the amount of any exposure is unquantifiable to be recognised as a provision.

The Council is currently reviewing a matter relating to designs submitted for building consents by an engineer whose professional certification had subsequently lapsed as of 2024. The investigation is in its early stages and any potential financial or operational impacts are yet to be determined. Further information will be disclosed as it becomes available.

The following contingent liabilities exist in respect of contract performance bonds:
- Citycare $14 million (2024: 16 million)
- Orion $2 million (2024: $1 million)

Citycare has an arrangement with Bank of New Zealand for the issue of performance related bonds.

The Group had no other material or significant contingent liabilities as at 30 June 2025. All Group companies insure for liability risks, in line with good industry practice. No provisions have been made where the group does not expect to have the contingent liabilities realised.

Note 27. Contingent liabilities and assets (continued)

27.3 Contingent Assets

Commentary / Korerotanga

The Parent's lending to OCHT is secured by first-ranking mortgages over properties whose value exceeds the full principal amount lent. If OCHT is wound up for any reason, this security would enable the Parent to recover this full principal amount, which is greater than the fair value of the loans currently recorded in the financial statements.

Orion New Zealand Ltd

Revenue above and below maximum allowable revenue

Orion is permitted to receive a maximum allowable revenue (MAR) for its electricity distribution services under the Commerce Commission's default price path regime. Due to differences between quantity estimates and CPI estimates used in price setting and actual quantities and actual CPI, Orion estimates that it charged customers $14.46m below its MAR (2024: estimated $12.26m below MAR). This amount is still subject to wash-ups as improved information becomes available. Orion will adjust the final amount plus interest when it sets delivery prices for 2026 (2024 : recovered within 2025 delivery prices).

The Group had no other material or significant contingent assets as at 30 June 2025.

Note 28. Cash flow reconciliations

28.1 Reconciliation of (deficit)/surplus for the period to net cash flows from operating activities

	Parent	Parent	Group	Group
	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
(Deficit)/Surplus for the year*	**62,596**	**44,071**	**221,337**	**11,503**
Add/(less) non-cash items				
Depreciation and amortisation*	346,142	327,813	543,359	525,456
Vested assets	(53,644)	(45,863)	(53,644)	(45,863)
Gains/(losses) on revaluation of property, plant and equipment	-	-	(33,977)	-
Impairment (gains)/losses	-	-	(8,361)	5,324
(Gains)/losses in fair value of investment property and assets held for sale	-	-	(24,487)	(15,450)
(Gains)/losses in fair value of derivative financial instruments	5	22	(682)	192
Share of associates' (surplus)/deficit (less dividends)	-	-	2,222	(970)
Net foreign exchange (gains)/losses	-	-	41	(16)
Deferred tax charged/(credited) to surplus	30	(550)	(16,343)	101,048
(Gains)/losses in fair value of Investments	(1,135)	3,652	(935)	2,112
Internal labour allocated to PPE & Intangibles	-	-	-	(9,375)
Other non cash movements*	(39)	17,083	1,432	24,855
Net changes in non-cash items	**291,359**	**302,157**	**408,625**	**587,313**
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	15,554	34,341	14,198	33,747
Movement in capital creditors	9,904	14,437	10,253	19,316
Recognition of service concession arrangement	-	(429)	-	(429)
Other	-	-	(1,656)	(3,245)
Net changes in investing/financing activities	**25,458**	**48,349**	**22,795**	**49,389**
Add/ (less) movement in working capital items				
Receivable and prepayment	56,151	(33,326)	48,925	(1,267)
Inventories	(948)	520	(2,728)	(3,004)
Other assets	-	-	8,897	(27,543)
Payables	(8,174)	(1,032)	13,638	(30,814)
Provisions and employee entitlements	(5,536)	1,974	(4,555)	(37,380)
Income tax receivable/(payable)	-	-	14,291	(1,266)
Other liabilities	(2,072)	4,548	(5,359)	43,992
Net changes in net assets and liabilities	**39,421**	**(27,316)**	**73,109**	**(57,282)**
Net cash from operating activities	**418,834**	**367,261**	**725,866**	**590,923**

*The comparative balances have been restated to reflect an adjustment to the prior year. Refer to Note 11.5 Prior Period Adjustment – Intangible Assets (Software as a Service Agreement).

Note 28. Cash flow reconciliations (continued)

28.2 Reconciliation of movement in financial liabilities to net cash flows from financing activities

Parent

	Liabilities				Equity		
30 June 2025	**Borrowings from external parties $'000**	**Borrowings from group entities $'000**	**Finance lease liabilities $'000**	**Derivative financial instrument liabilities* $'000**	**Share purchases $'000**	**Dividends $'000**	**Total $'000**
Opening balance	2,489,338	758	80,509	-	-	-	2,570,605
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	533,260	40	-	-	-	-	533,300
Cash outflows	(290,169)	-	(4,354)	-	-	-	(294,523)
Net cash from liabilities arising from financing activities	**243,091**	**40**	**(4,354)**	**-**	**-**	**-**	**238,777**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	50,660	-	-	50,660
Cash flow hedges ineffectiveness	-	-	-	(5,846)	-	-	(5,846)
Derecognition of cash flow hedges	-	-	-	5,851	-	-	5,851
Other	-	-	-	(15,379)	-	-	(15,379)
Net changes in non-cash items	**-**	**-**	**-**	**35,286**	**-**	**-**	**35,286**
Total borrowings and other financial liabilities	**2,732,429**	**798**	**76,155**	**35,286**	**-**	**-**	**2,844,668**

Note 28. Cash flow reconciliations (continued)

Parent	**Liabilities**				**Equity**		
30 June 2024	**Borrowings from external parties $'000**	**Borrowings from group entities $'000**	**Finance lease liabilities $'000**	**Derivative financial instrument liabilities* $'000**	**Share purchases $'000**	**Dividends $'000**	**Total $'000**
Opening balance	2,181,045	-	84,757	(40,661)	-	-	2,225,141
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	679,442	758	-	-	-	-	680,200
Cash outflows	(371,149)	-	(4,244)	-	-	-	(375,393)
Net cash from liabilities arising from financing activities	**308,293**	**758**	**(4,244)**	**-**	**-**	**-**	**304,807**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	13,215	-	-	13,215
Cash flow hedges ineffectiveness	-	-	-	(6,751)	-	-	(6,751)
Derecognition of cash flow hedges	-	-	-	6,773	-	-	6,773
Reclassified to financial instrument asset	-	-	-	27,424	-	-	27,424
Other	-	-	(4)	-	-	-	(4)
Net changes in non-cash items	**-**	**-**	**(4)**	**40,661**	**-**	**-**	**40,657**
Total borrowings and other financial liabilities	**2,489,338**	**758**	**80,509**	**-**	**-**	**-**	**2,570,605**

Note 28. Cash flow reconciliations (continued)

Group	**Liabilities**				**Equity**		
30 June 2025	**Borrowings from external parties $'000**	**Borrowings from group entities $'000**	**Finance lease liabilities $'000**	**Derivative financial instrument liabilities* $'000**	**Share purchases $'000**	**Dividends $'000**	**Total $'000**
Opening balance	4,159,594	-	54,957	1,998	-	-	4,216,549
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	921,660	-	-	-	-	-	921,660
Cash outflows	(591,169)	-	(12,370)	-	-	(12,672)	(616,211)
Net cash from liabilities arising from financing activities	**330,491**	**-**	**(12,370)**	**-**	**-**	**(12,672)**	**305,449**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	50,660	-	-	50,660
Cash flow hedges ineffectiveness	-	-	-	(5,846)	-	-	(5,846)
Fair value hedges ineffectiveness	12,126	-	4,068	13,265	-	-	29,459
Derecognition of cash flow hedges	-	-	-	5,851	-	-	5,851
IFRS 16 adoption reversal	-	-	1,872	-	-	-	1,872
New leases	-	-	14,253	-	-	-	14,253
Other	31,778	-	(1)	(12,563)	-	-	19,214
Net changes in non-cash items	**43,904**	**-**	**20,192**	**51,367**	**-**	**-**	**115,463**
Less equity and other items							
Dividends paid - non controlling interests	-	-	-	-	-	12,672	12,672
Net changes in equity and other items	**-**	**-**	**-**	**-**	**-**	**12,672**	**12,672**
Total borrowings and other financial liabilities	**4,533,989**	**-**	**62,779**	**53,365**	**-**	**-**	**4,650,133**

Note 28. Cash flow reconciliations (continued)

Group	Liabilities				Equity		
30 June 2024	**Borrowings from external parties $'000**	**Borrowings from group entities $'000**	**Finance lease liabilities $'000**	**Derivative financial instrument liabilities* $'000**	**Share purchases $'000**	**Dividends $'000**	**Total $'000**
Opening balance	3,807,567	-	51,819	(35,603)	-	-	3,823,783
Add/(less) cash items liabilities arising from financing activities							
Cash inflows	1,186,874	-	15,795	-	-	-	1,202,669
Cash outflows	(840,149)	-	(26,503)	-	-	(10,813)	(877,465)
Net cash from liabilities arising from financing activities	**346,725**	**-**	**(10,708)**	**-**	**-**	**(10,813)**	**325,204**
Add/(less) non-cash items							
Cash flow hedges gain/(loss)	-	-	-	4,136	-	-	4,136
Cash flow hedges ineffectiveness	-	-	-	(6,743)	-	-	(6,743)
Fair value hedges ineffectiveness	5,821	-	-	(3,165)	-	-	2,656
Derecognition of cash flow hedges	-	-	-	6,773	-	-	6,773
IFRS 16 adoption reversal	-	-	(79)	-	-	-	(79)
New leases	-	-	3,508	-	-	-	3,508
Reclassified to financial instrument asset	-	-	-	27,423	-	-	27,423
Other	(519)	-	10,417	9,177	-	-	19,075
Net changes in non-cash items	**5,302**	**-**	**13,846**	**37,601**	**-**	**-**	**56,749**
Less equity and other items							
Dividends paid - non controlling interests	-	-	-	-	-	10,813	10,813
Net changes in equity and other items	-	-	-	-	-	10,813	10,813
Total borrowings and other financial liabilities	**4,159,594**	**-**	**54,957**	**1,998**	**-**	**-**	**4,216,549**

Note 29. Related parties

Accounting Policy / Kaupapahere Kaute

Council is the ultimate parent of the Group. Details of subsidiaries and associates over which Council has significant influence, are set out on in the Group structure and Council Controlled Organisations section of the Annual Report.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

The Council provides grants and operational funding to a number of group entities and entities or organisations where the Mayor, Councillors or Executive Leadership Team are members of the organisations or their governing bodies. Such funding is agreed by Council on the same basis as other organisations with no such direct links.

Related Party Transactions required to be disclosed include provision of services, grants, non-standard commercial contracts and intercompany taxation activity.

Provision of accounting/administration services

The Council provided accounting, administrative and IT services to the group entities outlined below. The Council does not provide such services to non-group entities.

	2025		2024	
Group Entity	**Services to CCOs $'000**	**30 June Balance $'000**	**Services to CCOs $'000**	**30 June Balance $'000**
CCHL	145	44	141	123
CBL	20	-	23	-
RBT	36	-	36	-

Grants

The Council has provided a number of grants/subsidies to the group entities, and some of these are considered non- arm's length transactions. These grants are outlined in the table below:

Group Entity	2025 $'000	2024 $'000	Reasons for non-arm's length
RBT	548	569	In accordance with the Riccarton Bush Act
CNZ	15,902	1,539	Non-contestable funding
Venues Otautahi	7,900	5,753	Non-contestable funding
Rod Donald Trust	100	-	Non-contestable funding

Other commercial contracts

The Council has a contract with EcoCentral for waste collection and management. This contract was not tendered. As at June 30 2025, the Council had paid $14.9 million (2024: $12.3 million) to EcoCentral.

Subventions

The final Council tax position for the CCC group for the 2024 tax year resulted in the utilisation of tax losses of $47.1 million and subvention payments being made within the group of $18.3 million of which $16.3 million were paid to CCC.

Note 30. Major budget variations (Parent only)

Statement of comprehensive revenue and expense

For the year ended 30 June 2025

Total Revenue	$9 million higher than budget arising from:		
	Subsidies and grants	$45 million down	Primarily due to lower than planned Crown revenues, due to an error in the LTP MCR funding budget assumptions and lower than anticipated Better Off Funding revenues.
	Development and financial contributions	$5 million up	Due to higher than planned subdivision volumes.
	Finance revenue	$3 million down	Interest revenue from on-lending was lower than plan due to lower overall on-lending and later on-lending than planned, partially offset by higher general interest due to maintaining a higher cash balance than planned due to delayed capital programme expenditure and favourable hedging.
	Fees and charges	$5 million up	Fees & Charges revenues are greater than planned due to higher than anticipated RMA applications, higher revenues form recreation and sports facilities due to higher than anticipated community utilisation partially offset by lower than anticipated recoveries from Hagley Park car parking charges, due to late implementation and lower than planned utilisation.
	Vested assets and other revenues comprising:		
	Vested assets	$30 million up	Due to increased building activity from subdivisions, resulting in more assets than anticipated being transferred to Council.
	Subventions	$5 million up	Due to higher available tax losses to transfer within the Group.
	Sundry Revenue	$7 million up	Primarily due to higher landfill operation recoveries, due to volumes at Burwood landfill, revenues received in relation to building consenting applications and additional water connection fees.
	Dividend Revenue	$0.4 million up	Due to better-than-expected performance from Council subsidiaries.
	Rental Revenue	$3 million up	Primarily due to improved transfer station revenues and utilisation of recreation and sports facilities and campgrounds.

Note 30. Major budget variations (Parent only) (continued)

Total Expenses	$6 million higher than budget arising from:		
	Net (gains)/losses	$14 million up	Primarily due to a change in accounting treatment for software as a service, writing off software assets previously held on the balance sheet.
	Depreciation and amortisation	$4 million up	Resulting from the increase in asset values arising from asset additions and revaluation.
	Other expenses including:		
	Personnel costs	$3 million up	Staff costs (salaries & wages & employee entitlements) were $3.8m lower than the budget, due to vacancies throughout the year. This resulted in less staff being available to deliver capital projects as they were either not employed or backfilling other operational roles. This resulted in staff capitalisation being $6.9m lower than budget.
	Other Expenses	$10 million down	Due to combination of lower than planned insurance premiums renewals, electricity costs due to favourable procurement, service contracts, building maintenance costs and lower expenditure on grants, due to timing of delivery.
	Finance costs	$8 million down	Finance costs were lower than plan due to reduced borrowing for the capital programme and borrowing for on-lending to Council subsidiaries, resulting in lower interest costs, favourable hedging and a faster than planned reduction in the official cash rate.
Total Other Comprehensive Revenue and Expenses	Asset revaluations	$731 million down	High level of revaluations were undertaken in the previous financial year, reducing the total revaluation for the current financial year.
	Subsidiary valuations	$652 million up	Valuations subject to market conditions existing at balance date.
	Derivatives	$51 million down	Valuations subject to market conditions existing at balance date.

Note 30. Major budget variations (Parent only) (continued)

Statement of Financial Position

As at 30 June 2025

Total assets	$1,014 million lower than budget explained by:		
	Cash and cash equivalents	$115 million up	Due to pre-funding before debt repayments to take advantage of lower interest rates.
	Investments and other financial assets	$388 million up	Due to a combination of revaluation increases and additional investments made during the year.
	Property, plant and equipment, intangible assets and Assets held for sale	$ 1,494 million down	Primarily due to the Long-Term Plan overstating revaluation forecast movement.
	Accounts receivables	$26 million down	Due to timing of invoicing and receipts.
	Changes to tax assets	$2 million up	Due to imputation credits attached to dividends.
Total liabilities	$97 million lower than budget explained by:		
	Borrowing	$95 million down	Due to the under delivery of capital projects, and a delay in the timing of on-lending to Council subsidiaries.
	Other liabilities	$23 million up	Primarily due to unbudgeted income in advance for prepaid inspections, and prepaid rates by ratepayers.
	Payables	$29 million down	Due to timing of invoicing and payment.
	Provisions	$1 million down	Primarily due to unplanned changes to the building related claims provision and increases in landfill aftercare provision.
	Employee entitlements	$3 million up	Due to an increase in the provision for annual leave due to changes in staff contract terms and habits of staff taking annual leave.

Note 31. Remuneration

Accounting Policy / Kaupapahere Kaute

Section 32 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the remuneration of the mayor, chairpersons, members and chief executive of local authorities. The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

Chief Executive
The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

Key Management Personnel
Key management personnel includes that of the Mayor, Councillors and Executive Leadership Team of the Council.

Cost of severance payments
Section 33 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the number of employees who received severance payments during the year, and the amount of each severance payment made as defined under the legislation.

Elected members
The Remuneration Authority determines the remuneration, allowances and expenses payable to mayors, deputy mayors, members of local authorities plus chairpersons and members of community boards. Refer Schedule 7 of the Local Government Act 2002.

31.1 Chief Executive

The total cost to the parent of the remuneration package paid or payable to the Chief Executive (including all contractual entitlements of salary, holiday pay, superannuation, any non-financial benefits and severance) was:

	30 June 2025 $	30 June 2024 $
Dawn Baxendale (resignation date: 30 November 2023)	-	745,002
Mary Richardson	466,569	282,694

31.2 Key Management Personnel

	30 June 2025 $'000	30 June 2024 $'000
Key management personnel compensation		
Salaries and other short term benefits	4,838	4,886
Total	**4,838**	**4,886**

Commentary / Korerotanga

The remuneration details of the Chief Executive, Mayor and Councillors are set out in Notes 31.1 and 31.4. Key management personnel represent 25 full time equivalents (2024 : 28). Remuneration includes severance costs.

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

Note 31. Remuneration (continued)

31.3 Cost of severance payments

Commentary / Korerotanga

Severance payments relate to the termination of employment whether monetary in nature or otherwise. These payments are additional to any final payment of salary, holiday pay or superannuation contributions. For the year ended 30 June 2025, the Council made 3 severance payments to employees totalling $105,086 (30 June 2024: twelve payments totalling $700,032).

The individual values of each of these Council severance payments are $43,636, $15,000, $46,450.

(30 June 2024 : the value of each were $231,534, $126,027, $124,971, $43,500, $33,000, $30,000, $27,500, $25,000, $24,500, $20,000, $8,500 and $5,500).

31.4 Elected members - Council

	30 June 2025 Council Remuneration $	30 June 2025 Directors Fees $	30 June 2025 Total $	30 June 2024 Council Remuneration $	30 June 2024 Directors Fees $	30 June 2024 Total $
Melanie Coker	121,908	5,138	127,046	117,644	3,736	121,380
Pauline Cotter	140,206	9,946	150,152	135,291	13,563	148,854
Celeste Donovan	121,908	-	121,908	117,644	-	117,644
James Gough	121,908	-	121,908	117,644	-	117,644
Yani Johanson	121,908	-	121,908	117,644	-	117,644
Aaron Keown	121,908	-	121,908	117,644	-	117,644
Sam MacDonald	121,908	-	121,908	117,644	-	117,644
Phil Mauger	207,400	-	207,400	199,992	-	199,992
Jake McLellan-Dowling	121,908	13,675	135,583	117,644	13,563	131,207
Tim Scandrett	121,908	-	121,908	117,644	-	117,644
Sara Templeton	121,908	-	121,908	117,644	-	117,644
Victoria Henstock	121,908	-	121,908	117,644	-	117,644
Mark Peters	121,908	-	121,908	117,644	-	117,644
Tyrone Fields	121,908	-	121,908	117,644	-	117,644
Andrei Moore	121,908	-	121,908	117,644	-	117,644
Tyla Harrison-Hunt	121,908	-	121,908	117,644	-	117,644
Kelly Barber	121,908	-	121,908	117,644	-	117,644
	2,176,226	**28,759**	**2,204,985**	**2,099,943**	**30,862**	**2,130,805**

Commentary / Korerotanga

Elected member remuneration includes salary and resource consent hearing fees (where applicable) but excludes mileage and other reimbursing allowances of $33,319 (2024 $32,642).

Councillors who are directors of Christchurch City Holdings Limited and ChristchurchNZ Holdings Limited do not receive directors' fees. Both companies make a charitable donation in lieu of paying director fees directly to Councillors.
Venues Ōtautahi Limited does not pay directors' fees to it's Councillor directors.

Councillors Cotter, McLellan and Coker, and Phil Mauger donated their directors' fees to Mayor's Welfare Fund (MWF) in 2025.

Note 31. Remuneration (continued)

31.5 Elected Members - Board Members

		30 June 2025 Total Remuneration $	30 June 2024 Total Remuneration $
Te Pātaka o Rākaihautū Banks Peninsula Community Board			
	c Lyn Leslie	21,899	20,705
	Asif Hussain	10,950	10,542
	Nigel Harrison	10,950	10,542
	Reuben Davidson	-	4,083
	Howard Needham	10,950	10,542
	Luana Swindells	10,950	10,542
	Cathy Lum-Webb	10,950	10,542
	Jillian Frater	10,950	3,571
Waimāero Fendalton-Waimairi-Harewood Community Board			
	c Jason Middlemiss	53,513	29,252
	dc Bridget Williams	26,757	50,247
	David Cartwright	26,757	25,779
	Linda Chen	26,757	25,779
	Nicola McCormick	26,757	25,779
	Shirish Paranjape	26,757	25,779
Waitai Coastal-Burwood – Linwood Community Board			
	c Paul McMahon	53,719	51,772
	dc Jackie Simons	26,859	25,877
	Tim Baker	26,859	25,877
	Alex Hewison	26,859	25,877
	Greg Mitchell	26,859	25,877
	Jo Zervos	26,859	25,877
Waihoro Spreydon-Cashmere- Heathcote Community Board			
	c Callum Ward	56,164	54,112
	dc Keir Leslie	28,082	27,065
	Will Hall	28,082	27,065
	Roy Kenneally	28,082	27,065
	Tim Lindley	28,082	27,065
	Lee Sampson	28,082	27,065
Waipuna Halswell-Hornby-Riccarton Community Board			
	dc Helen Broughton	27,579	49,985
	c Marie Pollisco	55,158	29,852
	Sarah Brunton	27,579	26,578
	Henk Buunk	27,579	26,578
	Imam Gamal Fouda	27,579	26,578
	Debbie Mora	27,579	26,578

Note 31. Remuneration (continued)

Waipapa Papanui-Innes- Central Community Board			
c	Emma Norrish	51,097	49,240
dc	Simon Britten	25,549	24,611
	Sunita Gautam	25,549	24,611
	Alison Jones	25,549	24,611
	John Miller	25,549	24,611
	Emma Twaddell	25,549	24,611
c denotes chairperson			
dc denotes deputy chairperson		-	-
	Total	**1,031,380**	**992,722**

Commentary / Korerotanga

The Board members remuneration excludes members travel time, travel mileage and ICT allowance of $46,997 (2024: $102,899).

Board Member remuneration includes salary and resource consent hearing fees (where applicable) but excludes mileage, travel time and ICT allowance.

See Note 29 Related Parties for detail on transactions between Council and elected members and key management personnel that were not at arm's length.

31.6 Council Employees

As per section 32A of the Local Government Act 2002, at balance date, local authorities report all employees who were employed on 30 June excluding information about employees who left during the year.

Clause 32A requires disclosure of a Council's number of employees in bands based on their total annual remuneration.

Total remuneration includes any salary, wages, and any other payments or benefits (monetary or non-monetary) in return for services (as opposed to any 'tool of the trade' provided to enable an employee to fulfil their role, or otherwise assist them in their duties). This also includes non-financial benefits such as superannuation benefits provided to employees, relocation (only if the employee started within the period) and bonus (only if paid within the period).

At balance date, the Council employed 3,193 (2024: 3,053) staff members. These comprised 2,044 (2024: 1,919) full time employees with the balance of employees representing 426 (2024: 404) full-time equivalent employees. An employee is a full-time employee if they normally work 37.5 hours or more per working week.

The numbers of employees who were employed at 30 June are detailed below. Those receiving remuneration of $60,000 or more are grouped into $20,000 bands. If there are fewer than six employees in a band, they are combined upwards with the next banding as stipulated in the LGA 2002.

Note 31. Remuneration (continued)

	30 June 2025 Number of Employees
Salary Band	
0 to 59,999	1,015
60,000 to 79,999	570
80,000 to 99,999	584
100,000 to 119,999	433
120,000 to 139,999	312
140,000 to 159,999	180
160,000 to 179,999	54
180,000 to 199,999	21
200,000 to 219,999	11
220,000 to 239,999	6
240,000 to 359,999	6
360,000 to 479,999	1
Total Employees	**3,193**

	30 June 2024 Number of Employees
Salary Band	
0 to 59,999	1,062
60,000 to 79,999	591
80,000 to 99,999	497
100,000 to 119,999	415
120,000 to 139,999	271
140,000 to 159,999	144
160,000 to 179,999	39
180,000 to 199,999	14
200,000 to 219,999	11
220,000 to 319,999	7
320,000 to 519,999	2
Total Employees	**3,053**

Commentary / Korerotanga

Overall, the number of full-time equivalent employees of the Parent increased by 147 or 6%.

The increase in Full-Time Equivalents (FTEs) is primarily attributable to the internalisation of Parks management services. Additionally, the establishment of the Matatiki Hornby Centre and an organization wide reduction in vacant positions has contributed to an overall increase in FTEs.

Note 32. Capital management

The Council's capital (equity or ratepayer's funds) comprises of retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Long Term Plan.

Note 33. Legislative requirements

33.1 Council Controlled Organisations (CCOs)

The Local Government Act 2002 (LGA) requires the board of a CCO to deliver an annual report, half year report, and a quarterly report (if requested by the shareholder) and a statement of intent to its shareholders within specified timeframes.

The following CCO was unable to meet the statutory timeframes for 30 June 2024 annual reports due to delays in its audit programme:

- Development Christchurch Limited

The following CCO was unable to meet the statutory deadlines for 30 June 2025 annual reports due to delays in its audit programme:

- Development Christchurch Limited

Note 34. Subsequent events

34.1 Parent

The Parent does not have any significant subsequent events in 2025.

34.2 Group

ChristchurchNZ Limited

There were no significant events subsequent to the reporting date which require disclosure in the financial statements.

In line with the requirements under the Local Government Act, the Christchurch City Council has undertaken a Section 17A delivery of services cost effectiveness review of economic development in the 2024/25 year. The recommendations from this review have been delivered toe Council but no decisions have been made.

The ultimate shareholder, Christchurch City Council, has committed to provide CNZ with funding to deliver sustainable economic development services under the Long-Term Plan (LTP) on their behalf. AS such the Board are satisfied that the entity meets the going concern requirement.

From 1 July 2022, CNZ adopted revised Accounting and Treasury Management Policies, in the anticipation of completing a shortform amalgamation of Development Christchurch Ltd (DCL) into ChristchurchNZ. The shareholder (CCC) approved the amalgamation of DCL into CNZ however the timing of the amalgamation has not been confirmed and now forms part of the decision making in relation to the section 17A review noted above.

OCHT

Since balance date, on 5 August 2025 the Trust drew down $3.04 millions of interest free loans from the Ministry of Housing and Urban Developments to help fund the construction of secure homes.

Note 35. Local Water Done Well Bill

In response to the Local Government (Water Services Preliminary Arrangements) Act 2024 and the Local Water Done Well reforms, the Council prepared, consulted on, and adopted its Water Services Delivery Plan (WSDP). The WSDP outlines how the Council will fund, manage, and deliver its drinking water, wastewater, and stormwater services in the future. The Council has decided to continue delivering these services in-house.

Status Update
The Council submitted its WSDP on 22 August 2025.
On 29 October 2025, the Secretary for Local Government formally accepted the Council's WSDP.

Implications and Next Steps
The adoption of the WSDP confirms the Council's ongoing responsibility for local water service delivery, consistent with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024. The Council will continue to implement the plan and report on progress as part of its normal planning and accountability processes.

No further directives or conditions have been issued by the Secretary at this time. Should any future legislative or policy changes arise, the Council will assess their implications and make adjustments as required.

As at the date of adopting these financial statements, the reforms have not had any impact on the Council's financial statements or performance information for the year ended 30 June 2025. Financial and operational effects will be reassessed as implementation continues.

Group structure and Council Controlled Organisations

Group structure and Council Controlled Organisations

In order to achieve the Council's objectives it has established or invested in a number of companies and trusts. These organisations are managed independently to deliver significant services including the operation of infrastructure assets or to enable administrative efficiencies to be achieved.

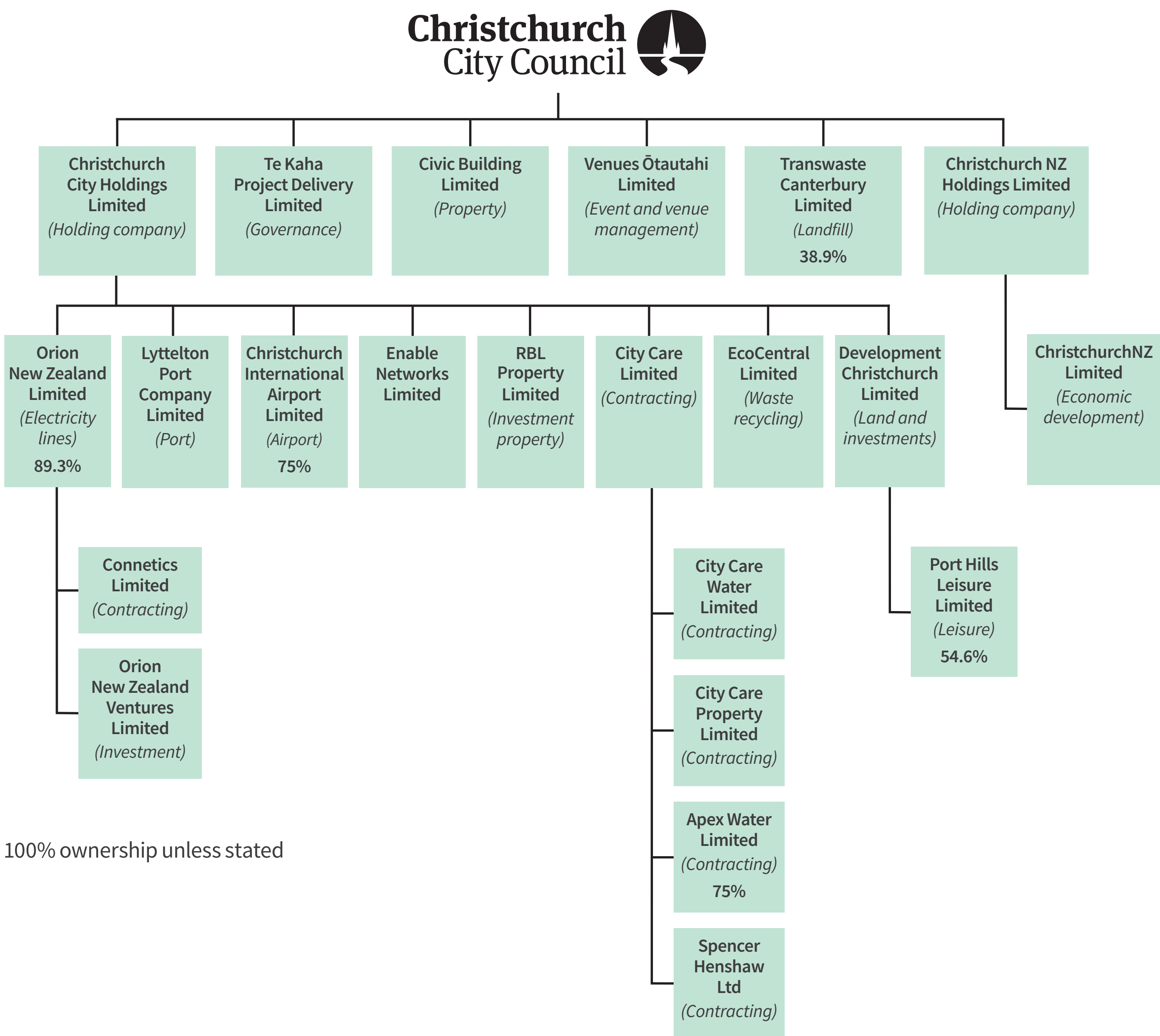
Through its wholly owned investment arm Christchurch City Holdings Ltd (CCHL), the Council has invested in a number of infrastructure assets which operate as commercial business at arm's length from the council.

The Council also has invested directly in other CCOs – Venues Ōtautahi, Civic Building Ltd ChristchurchNZ and Transwaste Canterbury Ltd.

In addition to these trading organisations the Council has interests in a number of trusts like Riccarton Bush Trust, Rod Donald Banks Peninsula Trust and Central Plains Water Trust which were set up to deliver specific services,events, facilities or benefits to the city.

This section explains what the organisations do, how their performance is measured and how they performed during 2024/25.

Group structure as at 30 June 2025



100% ownership unless stated

Group structure and Council Controlled Organisations

Summary financial table

For more detail refer to individual company reports.

	Income	Net result (after tax)	
	2025 $000	2025 $000	2024 $000
Orion New Zealand Ltd	368,770	23,966	11,595
Lyttelton Port Company Ltd	208,348	71,601	9,941
Christchurch International Airport Ltd	271,159	74,808	22,731
City Care Ltd	577,926	12,586	9,094
Enable Networks Ltd	129,064	41,052	34,447
EcoCentral Ltd	54,227	2,393	2,740
RBL Property Ltd	1,445	(184)	3,421
Development Christchurch Ltd	-	-	293
Venues Ōtautahi Ltd	32,881	(1,474)	(21,639)
Civic Building Ltd			(4,376)
ChristchurchNZ Holdings Ltd	19,170	599	1,497
Transwaste Canterbury Ltd	81,636	13,939	14,542
Riccarton Bush Trust	1,024	(2)	(41)
Rod Donald Banks Peninsula Trust	292	(228)	1,322
Central Plains Water Trust	-	-	-
Te Kaha Project Delivery Ltd	601	-	-
Ōtautahi Community Housing Trust	38,769	5,872	7,204

Christchurch City Holdings Ltd

www.cchl.co.nz

CCHL is the wholly owned commercial and investment arm of the Council. It holds shares in the following mostly trading companies and undertakes all governance activities, as well as monitoring and reporting on their performance.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Networks Ltd
- City Care Ltd
- RBL Property Ltd (formerly Red Bus Ltd)
- EcoCentral Ltd
- Development Christchurch Ltd

Nature and scope of activities

CCHL's mission is to support the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

The company's core role is to monitor the Council's commercial investments, which largely service the region's infrastructure needs. The key objective of the CCHL group of companies is to deliver strong financial returns and dividends to the Council and increase shareholder value and regional prosperity through growth, investment and dividend payments.

Policies and objectives relating to ownership and control

CCHL was established to group the Council's for-profit trading enterprises under one umbrella, and to provide a single arms-length interface between these CCTOs and the Council.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CCHL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Sustainability

CCHL will publish its second Climate Statement due , focusing on climate risks and the key strategies employed by the group to manage the ongoing impacts of climate change. The Climate Statement for 2025 will be released by 31 October 2025.

The Group remains committed to addressing climate change and the impact its subsidiaries have on the environment, the need to build resilience, and understand and manage risk. The Group continues to work towards reducing emissions, and individual subsidiaries within the Group have developed and are reporting against their own sustainability metrics, including emissions reduction performance measures. The CCHL Group has chosen to include measures of its greenhouse gas (GHG) emissions in its performance information. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

CCHL is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013. Full climate statements will be available when released at www.cchl.co.nz/annual-reports.

Key performance targets	**2025 Target**	**2025 Actual**
Financial		
Net profit after tax	$96 million	Achieved $206 million
CCHL financial and distribution performance meets the shareholder's expectations	CCHL pays a dividend that meets or exceeds $55 million	Achieved $55 million
Return on equity	3.6%	Achieved 7.2%
Interest cover (times)	2.0	Achieved 2.2
Shareholders funds/total assets	45%	Achieved 46%
Improved financial performance	Develop in consultation with the Council the principles of a responsible investment framework	Achieved
	Work with Council to implement a Sustainable Dividend Policy.	Achieved. A Sustainable Dividend Policy has been agreed with Council (targeting between 60%-90% of CCHL Parent NPAT)

Improved company monitoring and reporting	Undertake annual benchmarking of each asset to assess performance relative to peers in the industry.	Partially Achieved Benchmarking was undertaken for the four largest subsidiaries (CIAL, LPC, Orion and Enable). Analysis included both financial and nonfinancial performance.
<u>Governance</u>		
Support improved performance through a demonstrable commitment to diversity, equity and engagement	Measure gender pay gap (average male pay and average female pay including by career bands). Work towards zero pay gap by 2030.	Achieved CCHL's gender pay gap was measured as 14.4% (based on median total remuneration). This compares favourably to the national gender pay gap of 17.7% but is an increase on prior year (FY24 12.7%)
<u>Health and Safety</u>		
Continual improvement in operational health and safety	Increased trend in reporting of potential incidents (near miss reporting) demonstrating a healthy, safety-focussed organisational culture.	Partially Achieved All subsidiaries are demonstrating a healthy, safety focused organisational culture. Five out of six subsidiaries reported an improvement in a range of lead health and safety indicators, including near miss reporting, improvements in health and safety engagement factors, senior leadership interactions and safe work observations.

NATURAL

Performance measure	Performance target	2025 result
Reduce greenhouse gas emissions.	Gross greenhouse gas emissions across the Group fall year-on-year (or greenhouse gas emissions intensity if core business changes).	**Partially Achieved** Three out of six subsidiaries (Orion, LPC and EcoCentral) reported a year-on-year reduction in greenhouse gas emissions (location-based). CIAL, Citycare and Enable did not achieve this group target. DCL and RBL Property are not included in this measure as they do not have greenhouse gas emission measures or inventories established, have limited trading activity and their greenhouse gas emissions are not considered material to the Group.
	Group emission reduction targets are set and reported publicly.	**Partially Achieved** Emission reduction targets were disclosed in the CCHL Group FY24 Climate Statement released on 31 October 2024. Targets were reported for each subsidiary except EcoCentral. A CCHL Group target will be disclosed in the FY25 Climate Statement, to be released by 31 October 2025.
Produce integrated reporting and climate-based disclosures	CCHL Group Climate Statement is published on an annual basis, informed by consistent, accurate and timely subsidiary reporting.	**Achieved** CCHL Group FY24 Climate Statement released on 31 October 2024.
	Integrated report from CCHL captures a range of data around the environmental impacts and mitigations across subsidiary companies.	**Achieved** Refer to pages 34-39 of this report.

*The above table refers to Page 34-39 of CCHL report

The CCHL Group has chosen to include measures of its greenhouse gas (GHG) emissions in its performance information. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards. This has resulted in an emphasis of matter paragraph being included in the audit reports of CIAL, Citycare, Enable and Orion, EcoCentral as well as in CCHL Group's own audit report, to highlight this uncertainty to its readers. This uncertainty also applies to LPC's reported GHG emissions performance information.

CCHL is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013.

Full climate statements will be available when released at https://www.cchl.co.nz/annual-reports

CIAL, LPC, Orion, Enable and Citycare have included the following performance measures in their FY25 Statement of Intent, which are considered material to the Group. EcoCentral's FY25 Statement of Intent performance is not considered material to the Group and has been excluded from the performance measures presented here.

References to "science based" or "science aligned" targets were modelled using the Science Based Targets initiative's tools, which outline the reductions in emissions required to contribute to limiting global warming to 1.5°C. While these targets were set using publicly available resources from the Science Based Targets initiative (SBTi), they have not been submitted to or approved by the Science Based Targets initiative. More information can be found on the SBTi website.

Orion New Zealand Ltd

www.oriongroup.co.nz

Orion is an energy network management company in which Council has an 89.3% shareholding through CCHL (the remaining 10.7% is owned by Selwyn District Council). Orion owns Connetics Ltd, an electrical contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

Subsidiary companies

- Connetics Ltd

Nature and scope of activities

Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass. It has 220,800 customer connections, and is New Zealand's third largest electricity distribution business in terms of line revenue, asset size and system length (km).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Orion's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	**2025 Target**	**2025 Actual**
Net profit after tax	$16.5 million	Achieved $24.0 million
Return on average equity	1.9%	Achieved 2.8%
Network reliability targets		
Overall network - Minutes of supply interruptions per customer (SAIDI)	124.39	Achieved 53.19
Overall network - Number of supply interruptions per customer (SAIFI)	1.1832	Achieved 0.5230
Health and Safety targets		
Events resulting in serious injury	to Orion group employees ≤4	Achieved 1
	to Orion service providers ≤4	Achieved 1
	to the public ≤1	Achieved 1

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance. The targets are consistent with the Commission's network reliability limits for Orion for the year, pursuant to Orion's customised price-quality path.

Financial summary

Statement of financial performance for the year ended 31 March 2025

	2025 Actual $000	**2024 Actual $000**
Operating revenue	368,667	334,365
Finance Income	103	301
Operating and other expenses	336,455	311,837
Operating profit before tax	32,315	22,829
Tax (benefit)	8,349	11,234
Net profit for the year	23,966	11,595

Net profit after tax is higher in 2024/25 by $12.4 million. This is largely due to increased operating profit of $18.9 million due in part to an increased revenue allowance from the Commerce Commission, recovery of under-charged revenue from 2022/23 under the Commission's revenue framework, higher demand for electricity in Autumn 2025 due to colder than average temperatures for that period, and internal cost savings. Significant capital expenditure ($136 million in 2024/25) has been funded by increased borrowings of $73 million leading to increased interest costs of $3.8 million and depreciation and amortisation expense of $6 million. Tax was lower by $2.9 million reflecting the impact of the Government's removal of tax depreciation on commercial buildings in 2023/24 of $5 million.

Dividends paid to CCHL were $22 million (2023/24 $22 million).

Performance targets — Being a force for good in the communities we serve, enabling the net zero transition

Reduce the environmental impact of our operations

- Collaborate with our local authorities and stakeholders on regional decarbonisation plans
- Play a proactive role, working with other trusted organisations, to support our customers to close the "knowledge gap" on how they can move to a more energy efficient and greener way of living
- Foster and promote energy efficiency.

A locally led energy transition is key to delivering carbon net zero in the cheapest and most effective way possible, with more local support, better tailoring to local needs, and economic and social benefits. Given the role of electrification in decarbonisation, we will need to increase our collaboration and alignment with local stakeholders to build our understanding of customer and community needs on their energy transition journey. Our stakeholder NPS (Net Promoter Score) and depth of connections with our communities and customers allow us to track how successful we are.

	Actual 2025	Target 2025	Actual 2024
Collaborative local energy planning			
Key stakeholder agreement that Orion is considered a trusted core partner in the development of collaborative climate/energy strategies and plans (on a scale of 1 to 10)	Yet to be Measured	6/10	New Measure
Empowering our customers and communities			
Our customers agree that Orion is prepared for a very different future for electricity	51%	42%	40%
Reducing the environmental impact of our operations			
Group operational carbon emissions (tC02e)	Location based: 2,802 tCO2e Market Based: 2,644 tCO2e	2,456	Location based: 3,282 tCO2e Market Based: 3,137 tCO2e
Planting of native forest in partnership with Wairewa Rūnanga	57,792 seedlings planted	45,000 seedlings planted	50,000 seedlings planted

Collaborative local energy planning

We continue to collaborate with local authorities and stakeholders on regional climate and energy plans, establishing Orion as a trusted core partner in the development of collaborative climate and energy strategies. However, a method to measure that Orion is considered a trusted core partner by key stakeholders has yet to be completed.

Approach to measurement and reporting

Organisational boundaries are set with reference to the methodology described in the GHG Protocol and ISO 14064:2018 standards. We use an equity share consolidation approach. This approach includes consolidating emissions from our wholly owned subsidiary Connetics. Emissions and reductions are reported using both a location-based methodology, and a market-based methodology for Scope 2 purchased electricity, identifying where renewable electricity certificates have been purchased to achieve reductions. The majority of the disclosures stated below used the 2024 Ministry of Environment (MfE) emission factors, as using the 2025 emissions factors would only have a minor impact on the results, except for Scope 2 electricity, where the 2025 MfE electricity factors were applied. Where MfE has not provided an emission factor we have sourced factors from alternative sources such as Gazette notices for specific landfills, the UK GHG Conversion Factors 2024 publication for recycled waste and Knowledge Auckland spend based emission factors for rental cars.

As our financial year spans a calendar year period, for electricity emissions associated with our buildings and EV chargers we use the annual factors released by MfE for the calendar year that covers the April to December (9 months) period of our disclosure. The exception is our Scope 2 T&D losses, where we use the quarterly factors released by MfE. However, due to a time lag in the provision of these factors, no factor is available for the 1 January 2025 to 31 March 2025 quarter. In our calculation we have assumed the factor for this period will be consistent with the factor for the 1 October to 31 December period. For Air travel we have elected to use the MfE emissions factor that includes radiative forcing.

Wherever possible information on emission sources is drawn from the vendor as this is the most robust measure available (for example, litres of fuel). Where this is not possible, we rely on spend-based emission factors which carry a greater level of uncertainty. Our Inventory Management Report, produced with Toitū Envirocare, includes ongoing actions to improve the data quality of emission sources over time by working together with our vendors.

This year, we undertook a re-baselining of our FY20 carbon emissions to improve data accuracy and reflect updated methodologies. This included revisiting key assumptions, incorporating more complete activity data, and aligning our approach with 2024 emission factors and best practice guidelines. The table below shows the differences between the original FY20 emissions and the new re-baseline figures.

Table: Differences from FY20 baseline calculations

	FY20 original tCO2e	FY20 re-baseline tCO2e	Explanation of difference
Scope 1	2,979	2,930	Updated emission factors applied, some fuel classification errors corrected.
Scope 2	17,334 (including T&D losses) 174 (excluding T&D losses)	15,428 (including T&D losses) 173 (excluding T&D losses)	Updated emission factors applied using methodology described above.
Scope 3	295	233	Updated emission factors and aircraft specific emission factors applied, additional international flights added to correlate with international accommodation, freight updated with more accurate, category-specific data.
Total	20,608 (including T&D losses) 3,448 (excluding T&D losses)	18,592 (including T&D losses) 3,336 (excluding T&D losses)	

T&D losses refered to above are Transmission and Distribution losses

Refer also to the company's Statement of Intent 2025-2027, available at www.oriongroup.co.nz/our-story/our-publications

In FY25 we also recalculated our FY24 emissions. See the tables below for the original emissions versus the recalculated emissions.

Table: FY24 Group operational emissions

Scope	Original Emissions tCO2e	Recalculated Emissions tCO2e	Difference
Scope 1	2,671	2,628	Reduction in diesel, premium petrol and regular petrol emission factors
Scope 2	109 location based 7 market based	115 location based 3 market based	Increase in electricity emission factors
Scope 3	498	506	Increase in some domestic aircraft emission factors
Total	3,278 location based 3,174 market based	3,249 location based 3,137 market based	

Table: Emissions not included in Group operational emissions - FY24

Scope	Original Emissions tCO2e	Recalculated Emissions tCO2e	Difference
Scope 2	10,932 T&D losses	11,838 T&D losses	Increase in quarterly electricity emission factors used.
Scope 3	19 WFH and accommodation	24 WFH and accommodation	Increase in NZ accommodation emission factor.

(1) Mandatory emissions are Emissions from business travel and freight paid for by the organisation - Emissions associated with waste disposed of by the organisation, as well as the transmission and distribution of electricity, and natural gas

(2) Additional emissions are any Scope 3 emissions that are not mandatory

Refer also to the company's Statement of Intent 2025-2027, available at www.oriongroup.co.nz/our-story/our-publications

Table: Restated GHG emissions

	Scope 1 tCO2e	Scope 2 tCO2e	Scope 3 tCO2e	Total tCO2e
FY20 (baseline year)	2,930	173	233	3,336
FY24 Actual	2,628	Market based: 3 Location based: 115	506	Market based: 3,137 Location based: 3,249
FY25 Budget	2,081	2	373	2,456
FY25 Actual	2,255	Market based: 2 Location based: 160	385	2,644

Refer also to the company's Statement of Intent 2025-2027, available at www.oriongroup.co.nz/our-story/our-publications

The emission sources included and excluded from our group operational carbon emissions target are detailed below, along with the reasons for exclusion where the emission source is material.

Table: group operational carbon emissions - sources included

Scope 1	Mobile combustion (diesel, petrol), stationary combustion (diesel, LPG), leakage of refrigerants
Scope 2	Imported electricity – commercial buildings, EV chargers
Scope 3	Business travel – transport, upstream freight – paid by the Orion group, Downstream freight – paid by Connetics, Disposal of solid waste to landfill and recoveries for recycling, Scope 3 T&D losses from electricity consumed in Orion group buildings outside the Orion network area.

In FY25 we completed our first measurement of all Scope 3 emission categories, including non-operational sources, using the Fair Supply platform. This assessment provides a full value chain view of our emissions profile and aligns with the GHG Protocol framework. These additional new categories that we weren't already measuring did not require assurance for FY25, so are presented in the narrative section "Measuring our Supply Chain GHG Emissions" of our Annual Report.

We have also excluded emissions associated with any properties leased to third parties by Orion New Zealand as we do not have any control or influence over emissions from these locations. Toitū Envirocare describes Scope 3 value chain emissions as 'mandatory'(1) or 'additional'(2). Emissions classed as 'additional' are excluded from our current operational reduction target until we are satisfied data quality and level of influence is sufficient to include them. This means material emission sources such as emissions embodied in capital goods are currently not reflected.

Table: Emissions not included in group operational emissions

	Scope 2 tCO2e	Scope 3 tCO2e
FY20 non-operational emissions audited but excluded from base year target	15,255 Transmission & distribution losses	Additional Scope 3 emissions not measured 24 Accommodation
FY24 non-operational emissions audited and excluded from target	11,838 Transmission & distribution losses	Other Additional Scope 3 emissions 24 Working from home Accommodation
FY25 non-operational emissions audited and excluded from target	13,813 Transmission & distribution losses	Other Additional Scope 3 emissions 342 Working from home Accommodation Commuting

Our target

Orion group has committed to a gross reduction target, to reduce its group operational emissions by 50% from its FY20 base year by 2030. The emissions within this target include only those emissions sources noted in the *Table: Group operational carbon emissions - sources included*. Our group operational reduction target covers the parts of our Scope 1, 2 and 3 emissions where we have the most influence. On that basis, we exclude our intractable scope 2 distribution losses from our Group operational carbon target as, although these are material, they are largely outside of our control at the present time and we also exclude other scope 3 sources noted in the *Table: Emissions not included in group operational emissions*, for the same reason. This allows us to focus our reduction efforts on the areas of operations where we believe we can actively make a difference.

We have worked with the Planetary Accounting Network to ensure our target is aligned with keeping global warming within 1.5 degrees as much as possible. We do not call our target 'science based' because we exclude our Scope 2 T&D losses from the reduction target. Our targets and reduction plans are also certified to meet the requirements of the Toitū Envirocare CarbonReduce programme.

We have a reduction plan certified to meet the requirements of the Toitū Envirocare Carbonreduce programme and our annual carbon 'budget' is set in line with reduction pathways identified by targeting key drivers of carbon usage at Orion and Connetics. Carbon drivers include items such as vehicle type in our fleet and how our team use their vehicles. We also purchase Renewable Energy Certificates (RECs) to reduce emissions associated with our Scope 2 operational electricity use.

Uncertainty

There is a level of inherent and estimation uncertainty in the quantification of GHG emissions because the scientific knowledge and methodologies to determine the emission factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards. We are unable to mitigate inherent uncertainty, however we work to help mitigate estimation uncertainty as much as possible, through engagement of Toitu Envirocare to provide guidance on the correct methodology, review trends in emission factors and update the emission factors used in our calculations, which are predominantly those issued with the Ministry for the Environment (MfE).

Refer also to the company's Statement of Intent 2025-2027, available at www.oriongroup.co.nz/our-story/our-publications

Lyttelton Port Company Ltd

www.lpc.co.nz

Lyttelton Port Company Ltd (LPC) operates under the Port Companies Act 1988. As a fully owned subsidiary of CCHL, it manages the port assets, including land and facilities on a commercial basis.

Lyttelton Port is the South Island's largest port by volume and the third largest container port in New Zealand. It provides a vital link to international trade routes and plays a key role in the global transport network.

Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipping of a wide range of products; the ownership of land and facilities necessary to maintain LPC's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

LPC is recognised as a strategic Council asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin LPC's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	**2025 Target**	**2025 Actual**
Net profit after tax	$23.0 million	Achieved $71.6 million
Adjusted NPAT	$23.0 million	Achieved $25.2 million
Debt:Debt+Equity	35.23%	31.12%
Health, safety and wellbeing		
Total recordable injury frequency rate (TRIFR)	<1.81	Not achieved 3.68
Lost time injury frequency rate	<1.81	Not achieved 3.18

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	**2024 Actual $000**
Operating revenue	207,006	193,772
Finance Income	1,342	1,234
Fair value adjustment	53,579	
Operating and other expenses	174,353	171,790
Operating profit before tax	87,574	23,216
Tax (benefit)	15,973	13,275
Net profit for the year	71,601	9,941

Net profit after tax is $61.7 million higher in 2024/25 which is a result of a fair value revaluation of property, plant and equipment of $53.6 million, increased revenue of $13.2 million from a 24% increase in bulk imports and price increases. Operating cost increases were contained at $2.2 million (1.5%). The tax increase of $2.7 million reflects the $5.7 million impact of the Government's removal of tax depreciation on commercial buildings in 2023/24 offset by an increase relating to the fair value revaluations.

Dividends paid to CCHL were $12.1 (2023/24 $10.5 million).

Greenhouse gas Emissions

Our climate targets

We have two greenhouse gas (GHG) emissions targets aligned with the Paris Agreement's goal of limiting global temperature rise to 1.5°C:

- Short-term target: LPC commits to reducing absolute Scope 1 and 2 emissions by 50% and absolute selected Scope 3 emissions by 30% by 2030, against a 2018 baseline.
- Long-term target: LPC commits to reducing absolute Scope 1, 2 and selected 3 emissions by 90% by 2050, against a 2018 baseline.

LPC has set these targets with reference to guidance from the Science Based Targets initiative (SBTi) Corporate Near-Term Criteria and Corporate Net-Zero Standard, which provide a rigorous framework for aligning corporate decarbonisation pathways with the Paris Agreement. LPC does not claim that these targets are compliant with the SBTi Corporate Near-Term Criteria or Corporate Net-Zero Standard, and nor have these targets been submitted to or validated by the SBTi.

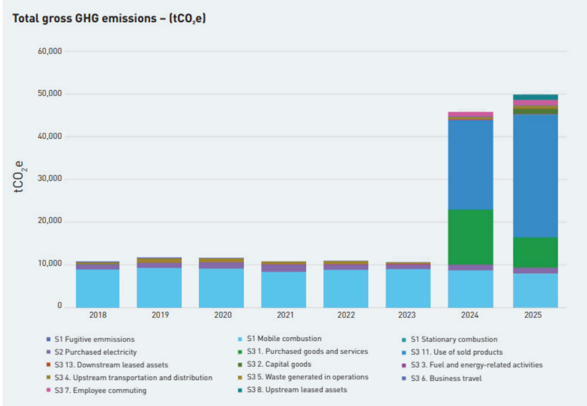
What are our emissions?

Scope 1 (direct emissions): Direct emissions fro petrol used to fuel light vehicles, heavy vehicles, marine vessels (tugs and pilot boats), front-end l empty and full container handling equipment and Also includes greases and lubricants used for ma activities and refrigerant losses.

Scope 2 (location-based emissions): Emissions f purchased heat and electricity used to power offi workshops, Port operational lighting and many sy across our three sites.

Scope 2 (market-based emissions): In FY21, LPC a five-year renewable power purchase agreemen Meridian Energy. This agreement enables us to p 100% renewable electricity with net-zero emissio effectively reduce our Scope 2 emissions to zero.

Scope 3 (value chain emissions): Includes downs upstream value chain emissions such as waste to business travel, electricity distribution and trans tenant electricity consumption, ship emissions, p consulting services and construction.



Total emissions (location based)
Tonnes of carbon dioxide equivalent (tCO^2e)

GHG Protocol scope	GHG Protocol category and description	%
Scope 1	Direct GHG emissions and removals	16.2
Scope 2	Indirect GHG emissions from imported energy (location-based method)	2.7
Scope 3	Category 1: Purchased goods and services	14.1
	Category 2: Capital goods	2.3
	Category 3: Fuel and energy-related activities	0.1
	Category 4: Upstream transportation and distribution	0.2
	Category 5: Waste generated in operations	1.1
	Category 6: Business travel	0.2
	Category 7: Employee commuting	2.5
	Category 8: Upstream leased assets	2.6
	Category 11: Use of sold products	57.8
	Category 13: Downstream leased assets	0.1
	Total	

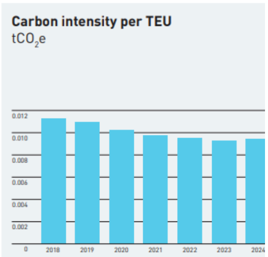
Emissions reduction journey

Our goals and targets are underpinned by an emissions reduction plan that identifies reduction initiatives to be taken by 2030 and keeps us on track to reach net-zero emissions by 2050. However, we know that our emissions reduction journey won't be a linear progression. Our journey requires significant capital investments to decarbonise our fleet of large mobile plant. There will be periods when progress is slow and we see noticeable gains.

Emissions by scope FY25

Total gross GHG emissions – (tCO_2e)

In FY25, we reduced our Scope 1 emissions by 10.2% from the baseline year and 7.9% from FY25. The decrease can be attributed to several factors, including an initiative to reduce idling time in straddles, more efficient Container Terminal planning and the downturn in container volumes compared to FY24.



Christchurch International Airport Ltd

www.christchurch-airport.co.nz

Christchurch International Airport Ltd (CIAL) is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate the Christchurch International Airport efficiently and on sound business principles.

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and delivers airport land for retail, commercial and freight logistics' businesses.

Nature and scope of activities

The company operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence. The airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure.

As the gateway for Christchurch and the South Island, the airport is New Zealand's second largest airport based on passenger numbers and the busiest and most strategic air connection for the South Island trade and tourism markets.

CIAL is responsible for the efficient and safe operation of the airport, while aiming to provide the airport's diversity of users with modern, appropriate and efficient facilities and services.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin CIAL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2025 Target	2025 Actual
Net profit after tax	$48.8 million	Achieved $74.8 million
Return on capital (EBIT/(equity + debt)	4.7%	Achieved 5.9%
Domestic passengers	4,921,878	Not achieved 4,834,465
International passengers	1,645,816	Not achieved 1,560,693
Health and Safety and Wellbeing	Improve on the HSW factor insight in the annual culture and engagement survey.	Achieved - improved from 69% to 79% in the 2025 CIAL Culture and Engagement Survey, driven by stronger perceptions of leadership commitment to health, safety, and wellbeing

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	245,064	233,053
Finance Income	460	761
Fair value gain on investment properties	25,635	12,750
Operating and other expenses	171,196	172,629
Operating profit before tax	99,963	73,935
Tax (benefit)	25,155	51,204
Net profit for the year	74,808	22,731

Net profit after tax is higher by $52.1 million in 2024/25. This reflects increased operating revenue of $12 million attributable to more aircraft and passengers (142,000) through the airport ($2.5 million), higher returns on the new retail offerings in the terminal ($3.4 million), and from property rentals largely from high occupancy and expansion of the freight and logistics precinct ($3.9 million). Added to this was a fair value gain on investment property of $25.6 million, an increase of $12.9 million over 2023/24.
Tax was lower by $26 million reflecting the 2023/24 impact of the Government's removal of tax depreciation on commercial buildings of $30.1 million.

Dividends paid to CCHL of $30 million (2023/24 $24 million).

Performance measure	2025	Progress to 30 June 2025
Planet/sustainability – Toitūtanga		
Climate / Te Āhuarangi 4. Deliver a tangible reduction in the Climate impact of aviation and adapt to our changing climate.	• Maintain airport operational greenhouse gas emissions reductions of 90% or greater (scope 1 & 2 emissions).	• Scope 1 & 2 emissions for FY25 were 93% reduced against our 2015 baseline using the market-based approach. Stationary fuel combustion for loadshedding purposes was managed to ensure we stayed within our emissions targets. A new electric fire truck has replaced one of the diesel fire fleet from January 2025, this is expected to show up as a small dip in mobile diesel usage. We have scopes 1, 2 & 3 independently verified. • If using location-based approach and not considering renewable energy certificates, total emissions for our electricity consumption have reduced to 1,503tC02e from the 2015 baseline of 1,811tC02e.
	• Actively seek to support reduction in airport supply chain (scope 3) emissions to accelerate transition to low carbon aviation.	• Scope 3 initiative Kōwhai Park solar farm construction is progressing, on track for 2026 completion. • The Hydrogen Consortium partnership is progressing, looking at technology demonstration opportunities. This year included a temporary hydrogen testing facility on site at CIAL. CIAL is also on national Sustainable Aviation Aotearoa, and global aviation transition working groups, including the IIWG/ACAATF.
	• Publicly disclose and regularly review our processes relating to climate risk disclosures – identification, monitoring, and adaptation planning.	• The company is actively working towards our FY25 Climate Related Disclosures, including CIAL climate transition plan.*

Performance measure	Performance targets	
	2025	**Progress to 30 June 2025**

Planet/sustainability – Toitūtanga

Performance measure	2025	Progress to 30 June 2025
Energy / Te Pūngao me to tūāhanga 6. Onsite renewable energy to power CIAL's decarbonisation and support aviation's low carbon future.	• Regularly review energy efficiency projects seeking to maintain or improve operations. • Expand understanding of renewable energy and future fuels infrastructure requirements to cater for transition to low carbon aviation.	• In progress and on-going. • Future Fuels strategy has been developed focusing on 4 key stages; enabling resources, technology development, commercial viability and scaling for demand. • Further we have an MBA student working on the broader regional interest in H2 offtake, so help inform CIAL's role within a regional H2 ecosystem. • CIAL is involved in on-going work at a national level to support the development of a Sustainable Aviation Fuel pathway for New Zealand.
Noise 7. Historically, noise has been the environmental issue of greatest focus at airports around the world. Our responsibility and preference are to collaborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts.	• Noise complaints are limited to 10 per 10,000 aircraft movements per annum. • Actively participate in the public consultation across Canterbury on how the latest noise contours are integrated into the Regional Policy Statement. • Offers of acoustic mitigation to noise impacted properties currently eligible. • Long-term and ongoing programme to protect CIAL from noise reverse sensitivity affects.	• FY25 had 2.9 noise complaints per 10,000 aircraft movements. • ECan paused work on the Regional Policy Statement. CIAL continues to work with its experts to gather evidence to support incorporating the updated noise contours. • With the RPS paused, CIAL is exploring a new approach and is in the early stages of initiating a plan change to incorporate the updated noise contours into the Christchurch District Plan. • Acoustic treatment has been re-offered to eligible homeowners, with no new properties identified in the 2024 Noise Monitoring Report (published Mar 2025). Although some 2019 eligible homeowners no longer meet current criteria, CIAL continues to honour previous offers where treatment or mitigation was initially extended. • The real-time noise monitoring terminals and internal NoiseDesk platform are operational, with public rollout of WebTrak planned for Aug 2025.
Biodiversity / Te Kanorau Koiora 8. Maintain, enhance and restore Aotearoa's native and endemic species.	• Develop a CIAL biodiversity framework founded in science and linked to the UN global goals. • Develop a trusted network of stakeholder relationships to support work programme.	• CIAL completed its Biodiversity Framework and Inventory in 2024, and has now developed a complimentary Biodiversity Transition Plan in 2025. • An internal network of stakeholders has been identified to support the Biodiversity Transition Plan. In addition, key external stakeholders have been identified, including iwi, Banks Peninsula Conservation Trust, and DOC. Furthermore, CIAL has been working alongside South Island Wildlife Hospital to find a home for protected rescued dotterels. • Further work will be ongoing to understand how a biodiversity stakeholder partnership plan could support our Biodiversity framework and target.

City Care Ltd

www.citycare.co.nz

City Care Ltd's (CCL's) primary activity constructing, maintaining and managing infrastructure and property assets. It is a wholly-owned company of CCHL.

City Care has 100% shareholdings in:

- Apex Water Ltd, a design and build company of wastewater treatment plants.
- Spencer Henshaw Ltd, a property maintenance company.

Nature and scope of activities

CCL's main service offerings are:

- City Care Water – three waters design, construction and maintenance solutions, asset management and optimisation services, network management and resilience solutions.
- City Care Property – asset and facilities management, property maintenance and trade services, open space and parks maintenance, building construction and capital works including landscapes as well as project management services.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin CCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2025 Target	2025 Actual
Net profit after tax	$12.4 million	Achieved $19.9 million
Health & Safety		
	Reduction in total recordable injury frequency rate	Achieved
	Grow health and safety culture through utilisation of insights from the annual independent Concordia survey	Achieved
Client Satisfaction	Positive Net Promotor Score (NPS) based on an annual customer survey	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	576,703	623,143
Finance Income	1,223	854
Operating and other expenses	559,992	613,540
Operating profit before tax	17,934	10,457
Tax (benefit)	5,348	3,030
Profit after tax from discontinued operations		1,667
Net profit for the year	12,586	9,094

Net profit after tax is $3.5 million higher in 2024/25. Operating profit improved by $7 million despite reduced revenue. This has been through expanding its services, improving margins and cost control. Offsetting this was a $1.67 million profit from discontinued operations (SW Scaffolding Ltd) in 2023/24 and a higher tax charge by $2.3 million.

Dividends paid to CCHL of $2.5 million (2023/24 $0).

Greenhouse Gas (GHG) Emissions

Our journey continues to manage and measure companywide emissions.

This year Citycare applied the operational control consolidation approach to its GHG emissions reporting boundaries; a change in approach from previous years, away from an equity share consolidation. The operational control has been used as our shareholder CCHL has directed Citycare to align its consolidation approach with the wider CCHL Group. This change will see 100% of Apex Water accounted for as Citycare holds operational control over Apex Water and Citycare now has 100% shareholding of Apex Water[1]. This does not change the treatment for Spencer Henshaw as this was already 100% accounted for under Citycare Limited.

To enable like-for-like comparisons for past and future inventories, Citycare has recalculated its prior year's emissions to include the remaining 25% of Apex Water's emissions, and the latest MfE emission factors. The recalculation has resulted in a FY2024 revised group Scope 1 & 2 emissions of 86 tCO_2^e higher than the emissions previously reported.

The group has set an annual scope 1 and 2 emissions reduction intensity target to ensure we can compare the impact of our reduction initiatives over time without being influenced by increases or decreases in the group's overall size. This intensity factor is our normalised tonnes of emissions from our scope 1 and 2 emission sources per $ of revenue (less contractor cost + 10% margin). This adjustment has been made because the related contractor emissions fall within scope 3.

Normalised scope 1 and 2 emissions – (tCO_2^e)/$ revenue decreased from 0.000034152 against our audited restated 2024 emissions to 0.000032852 in 2025, a decrease of 4% (note this result is not inflation adjusted).

CCHL is a Climate Reporting Entity (CRE) under the Financial Markets Conduct Act 2013. As a CRE, CCHL must produce an annual group climate statement that complies with the Aotearoa, New Zealand Climate Standards issued by the External Reporting Board. The group is under no obligation to report in its own right, however in order for CCHL to meet its reporting obligations, the group are required to provide this information. The group has made considerable progress this year to measure more scope 3 emission sources including purchased goods and services, including subcontractors, and well to tank fuel emissions – refer to the Natural capital sections.

[1] Citycare previously accounted for 75% of Apex's emissions under the equity share approach. During FY25 Citycare bought the remaining 25% of shares of Apex Water and now owns 100% of Apex Water.

	Restated 2024 tCO_2^e	Actual 2025 tCO_2^e
City Care Group's total measured GHG emissions FY24 – FY25		
Tonnes of Carbon Dioxide equivalent (tCO_2^e)		
Scope 1 emissions		
LPG Stationary use	3	4
Diesel and petrol in vehicles	7,146	7,493
Diesel and petrol in vehicles - Apex Water Limited	167	181
Diesel and petrol in vehicles - Spencer Henshaw Limited	574	518
Total scope 1 emissions	**7,890**	**8,196**
Scope 2 emissions		
Purchased electricity	118	110
Purchased electricity - Apex Water Limited	6	8
Purchased electricity - Spencer Henshaw Limited	24	20
Total scope 2 emissions	**148**	**138**
Total measured emissions	**8,038**	**8,334**
Normalised Emissions (tCO_2^e / $ Revenue)	0.000034152	0.000032852

There is a level of inherent uncertainty in reporting GHG emission factors, due to scientific uncertainty and estimation uncertainty involved in the measurement process. The group has used the published emission factors from the MfE 2025 guidance document and obtained quantity data direct from suppliers (electricity invoices and fuel card transaction statements).

Enable Networks Ltd

www.enable.net.nz

Enable Networks Ltd (ENL) is wholly owned by CCHL and trading as Enable Networks.

Nature and scope of activities

Enable's core business is to provide wholesale services over its fibre network infrastructure including retail fibre broadband, voice, internet, TV, video calling, content, gaming, and IT services provided to customers (such as homes, businesses, and schools).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-Controlled organisations. These objectives underpin ENL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2025 Target	2025 Actual
Net profit after tax	$34.9 million	Achieved $41.0 million
Ensure corporate landfill waste is below FY22 benchmark, of 588.2 kg, by continuing to educate our people on waste minimisation	>588.2kg	Not achieved. The proportion of waste diverted from landfill dropped from 66% in FY22 to 21% in FY25 with an additional 671.4 kg going to landfill, 1,259.6kg in total.
Health, safety and wellbeing		
Total recordable injuries frequency rate/million hours	Reduction	Not achieved – 6.1 (compared with 3.5 last year).
Serious harm injuries	0	Achieved 0

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	128,403	122,196
Finance Income	661	863
Operating and other expenses	74,992	73,059
Operating profit before tax	54,072	50,000
Tax (benefit)	13,020	15,553
Net profit for the year	41,052	34,447

Net profit after tax is higher in 2024/25 by $6.6 million This reflects increased operating revenue from 4,000 additional connections to the network (total 161,000) coupled with internal cost savings and price increases. Tax expense was lower by $2 million which reflects the impact of the Government's removal of tax depreciation on commercial buildings in 2023/24.

Dividends paid to CCHL of $25 million (2023/24 $20 million).

Sustainability

Enable has continued to focus on sustainability and support CCHL's sustainability working group.

	Target	Measures
1	Continue to measure greenhouse gas emissions with a focus on Scope 1 and 2 emissions reduction goals of 35% by FY25 and 62% by FY30, against the FY20 baseline, and strive to achieve net zero emissions by FY30 in line with the CCHL group.	– Emissions reported against base year FY20.
	Status: Achieved Scope 1 and 2 science-based goals have been adopted and accompanying emissions reduction investment plan approved. Our FY25 Scope 1 and 2 market based emissions have decreased by 161 tCO_2e (81%) to 38 tCO_2e against our restated FY20 baseline, with the full years benefit from the solar panels on four central offices and 87.5% of vehicles are now electric. We also purchase Renewable Energy Certificates (RECs) to reduce emissions associated with our Scope 2 operational electricity use. There is some level of uncertainty associated with calculating Greenhouse Gas emissions. To minimise this uncertainty, all Scope 1 and 2 source data has been obtained directly from suppliers. We have calculated our emissions based on the most up to date emissions factors available from the Ministry for the Environment and supplier sources at the time our Greenhouse Gas emissions data was produced.	
2	Continue to provide data to support CCHL's climate-related disclosure reporting requirements.	– Data provided as required.
	Status: Achieved Greenhouse gas inventory information is supplied to CCHL, with an audited greenhouse gas report provided at year end. A number of Directors received certification from the Institute of Directors Climate Change Governance course in FY25.	
3	Continue to work with our key contractors to minimise network infrastructure waste.	– Waste mitigation plan is agreed and documented.
	Status: In progress We are continuing to evaluate the most sustainable options for the decommissioning the first-generation equipment with options of making this equipment available for use by other providers.	
	Ensure our corporate landfill waste is below our FY22 benchmark, of 588.2 kg, by continuing to educate our people on waste minimisation.	– Waste reduction plans enacted.
	Status: Not achieved We promote waste minimisation and disposal in our corporate offices. The proportion of waste diverted from landfill dropped from 66% in FY22 to 21% in FY25 with an additional 671.4 kg going to landfill, 1,259.6kg in total. This was a result of the changing criteria of what is classified as appropriate for recycling, causing a greater proportion of cross contamination to the recycling streams. We continue to run education programs to reduce cross contamination and increase diversion from landfill.	

EcoCentral Ltd

www.ecocentral.co.nz

EcoCentral is wholly-owned by CCHL.

Nature and scope of Activities

EcoCentral oversees the processing of household and commercial refuse and the automated sorting of recycling throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finding ways to ensure Christchurch is a leader in recycling.

Eco manages:

- EcoShop, the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.
- EcoSort, a large facility that receives all the 'Yellow Bin' recycling from Christchurch and surrounding areas where it is automatically sorted, baled and sold as reclaimed material. Material is sold either domestically or internationally to be made into new products.
- EcoDrop comprises three transfer stations for managing the city's recycling and refuse for both domestic and commercial waste. Each station has a recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin EcoCentral's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	**2025 Target**	**2025 Actual**
Net profit after tax	$1.253 million	Achieved $2.393 million
EcoDrop – waste minimisation	Divert at least 60,000 tonnes from landfill.	Achieved 60,951 tonnes
EcoSort – plastic and fibre quality – total conforming material	99.5% purity	Achieved – 99.85%
EcoShop / Resource recovery – customer sales	130,000	Achieved 142,871
EcoShop – total resource recovery diverted from landfill	>6,500 tonnes	Achieved 9,140 tonnes

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	**2024 Actual $000**
Operating revenue	53,806	57,768
Finance Income	421	644
Operating and other expenses	50,940	54,543
Operating profit before tax	3,287	3,869
Tax (benefit)	893	1,129
Net profit for the year	2,393	2,740

Net profit after tax is lower than in 2024/25 by $0.3 million from lower operating revenue of $4 million and lower operating expenses of $3.6 million.

Dividends paid to CCHL of $1 million (2023/24 $5 million).

Reduce greenhouse gas emissions YOY reduction in Scope 1 and Scope 2 greenhouse gas emissions from previous year (2024: 771 tCO_2-e)	Reduction from 23/24	725	Achieved – (decrease of 46 tCO_2-e compared to PY).

We report our company-wide emissions from category 1 and 2 emissions sources, which include fuel and electricity usage. This reporting boundary has been defined because it includes the emissions for which sufficient measurement data is available, and the sources where there is the greatest ability to reduce emissions.

There has been a restatement of the prior year base number. The original number, as reported in 2024, was based on the most recent annual electricity factor, being the best information available at the time. The restatement is based on the quarterly emissions factors for that year, which have now become available.

The table below provides a detailed breakdown by category:

Emissions(tco_2-e)	30 June 2025	30 June 2024	Variance
Category 1 (Fuel)	528	577	-49
Category 2 (Electricity)	197	194	3
Overall results	725	771	-46

While Category 1 fuel emissions fell by 8.5%, Category 2 emissions rose by 1.5%. Despite this slight increase in Category 2, overall emissions decreased by 5.9%, primarily driven by the company's ongoing progress in electrifying its vehicle and mobile plant fleet.

We use the operational control approach to determine our organisational boundary. This means the reported results include 100% of emissions from which we determine we have operational control. Emissions are included from all of EcoCentral's facilities under this approach.

There is a level of inherent uncertainty in reporting greenhouse gas emissions, which is due to inherent scientific uncertainty in measuring emissions factors as well as estimation uncertainty in the measurement of activity quantity data. In measuring emissions, EcoCentral has used the published emissions factors from the Ministry for the Environment (MfE) 2025 guidance document issued May 2025 and obtained quantity data directly from electricity and fuel suppliers. The prior year electricity emission factors have been restated, as we now have an actual emission factor for the period 1 January to 30 June 2024.

We rely on electricity emission factors that are provided by the Ministry for the Environment. As at the time of reporting our 2025 emissions, an emission factor for the period 1 January to 30 June 2025 was not available. Due to this missing data point, in calculating our emissions we have assumed an emission factor of 0.101 for this period. Due to the use of an assumed emission factor rather than actual factor, this may result in future restatements if the actual emission factor is materially different from our assumption.

Fuel use contributed approximately 80% of category 1 and 2 emissions in FY2024 and 77% in FY2025.

RBL Property Ltd

RBL Property Limited is wholly owned by CCHL.
The company was formerly Red Bus Ltd which provided public passenger transport, freighting and ancillary services. The operations were sold in 2020.

Nature and scope of activities

The company owns a block of land and its only activities are leasing and managing the property until its future ownership has been decided.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin RBL Property's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2025 Target	2025 Actual
Net profit after tax	$726,000	Not achieved $184,000
Kaitiakitanga	Site maintained in compliance with consents and lease arrangements	Achieved

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	1,312	1,189
Finance Income	133	109
Operating and other expenses	312	297
(Loss)/ Gain on Revaluation of Investment Property	(1,000)	2700
Operating profit before tax	133	3,701
Tax (benefit)	317	280
Net profit for the year	(184)	3,421

Net profit after tax is $3.6 million lower in 2024/25 due to a revaluation gain of $2.7 million of property owned in 2023/24 offset by a downward revision in 2024/25 of $1 million.

Development Christchurch Ltd (NOT RECEIVED, NOT AUDITED)

Development Christchurch Ltd (DCL) is wholly-owned by CCHL.

Nature and scope of activities
DCL was established by Council in 2015, with its purpose being to accelerate development activities in Christchurch's built environment. In mid-2020 the Council decided to transfer DCL's ongoing projects and functions to local agencies given the changing economic drivers in the city. DCL has retained an ownership interest of 54.7% in the Christchurch Adventure Park.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of Council-controlled organisations. These objectives underpin DCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets	2025 Target	2025 Actual
Work closely with ChristchurchNZ Holdings Ltd to continue to dispose of land held for resale on commercial terms. Monitor investment in Christchurch Adventure Park	Confirmed sale and purchase agreements on all property held for resale for the benefit of the city. Monitor and establish appropriate ownership model for Council's stake.	

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue		
Finance Income		
Operating and other expenses		
Operating profit before tax		-
Tax (benefit)		
Net profit for the year		-

Venues Ōtautahi Ltd

www.venuesotautahi.co.nz

Venues Ōtautahi is wholly-owned by the Council.

Nature and scope of activities

Venues Ōtautahi has two areas of focus – attracting, hosting and managing events to its owned facilities and ownership and management of facilities. Venues Ōtautahi owns and/or operates the following venues:

- Town Hall (owned and managed);
- Wolfbrook Arena (formerly Christchurch Arena) (owned and managed);
- Apollo Projects Stadium (formerly Orangetheory Stadium), Addington (managed);
- Wigram Air Force Museum (managed); and
- Hagley Cricket Oval Pavilion (managed).

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Venues Ōtautahi's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

	2025 Target	**2025 Actual**
Financial Target	EBITDA -$2.8 million.	Achieved $135K
Economic Impact		
Attract and manage events that generate positive financial impact.	At least 16 major ticketed events at VŌ's venues.	Achieved 23.
Social and Cultural Impact		
Maximise attendance at VŌ's venues.	Guests to venues exceed 500,000.	Achieved 718,443.
Make venues available to support local community groups/ individuals.	At least 45 events receive the community rate.	Achieved 53.

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	**2024 Actual $000**
Operating revenue	28,231	25,209
Operating expense	27,130	26,754
Net operating profit	1,101	(1,545)
Other revenue	4,650	2,504
Other expenses	9,672	9,054
Operating profit before tax	(3,920)	(8,095)
Tax (benefit)	2,447	(13,544)
Net surplus/(deficit)	(1,474)	(21,639)

The operating loss after tax was lower by $20.2 million, of which $16 million is tax impacts, mostly related to the impact of the Government's removal of tax depreciation on buildings in 2024. The operating surplus was higher by $2.6 million from a higher number of both events (+22) and attendance numbers at venues (+75,668). This was offset by higher depreciation of $0.6 million. The Council's capital grant was $2.1 million higher than in the prior year as required by VŌ's asset management plans.

SUSTAINABILITY AND ENVIRONMENT		
Contribute to reducing the City's carbon footprint by achieving target of net carbon neutrality by 2030.	Achieve reduction in carbon footprint.	Achieved. Versus the 2023 baseline, a reduction in the overall carbon footprint (for scope one and two category emissions, waste, stationery and transport fuel and electricity) for Venues Ōtautahi has been achieved for the year. Refrigerant tracking commenced during the year and a water meter was installed at Wolfbrook Arena. (2024: The execution of the VŌ carbon reduction roadmap commenced in the first quarter of FY23/24. A formal partnership with GreenHalo, a carbon reporting system, has been established. At the end of the financial year, a reduction in the overall carbon footprint (for scope one and two category emissions) for Venues Ōtautahi has been achieved. Of note, the tools for monitoring of refrigerants and water will be established in FY24./25).

Civic Building Ltd (NOT RECEIVED, NOT AUDITED)

Civic Building Ltd (CBL) is wholly-owned by the Council.

Nature and scope of activities
CBL owns a 50 per cent interest in the Christchurch Civic Building Joint Venture with Ngāi Tahu Property (CCC-JV) Limited. The joint venture owns the Civic building in Hereford Street.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin CBL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

Objective and Strategy	2025 Target	2025 Actual
Net profit after tax	$449.000	
Manage the investment in a commercially astute and prudent manner	Review of asset performance following investing of capex and opex.	
Maintain Te Hononga to meet or exceed New Zealand Standard NZS 4121:2001 Design for access and mobility – buildings and associated facilities and Christchurch City Council's Equity and Access for People with Disabilities Policy.	Provide twice the building code ventilation as per building design. Maintain the implementation of all pertinent recommendations from the accessibility audit conducted in the 2021/22 year.	
Consistently maintaining and enhancing a high standard in terms of environmental and energy sustainability.	Any plant or system that helps reduce energy consumption is maintained and kept to a high standard of operation – all plant related to this target remains operational 90% of the time unless there is a specific issue requiring further attention (lighting controls/rainwater tanks/solar panels).	

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue		4,394
Operating and other expenses		4,395
Operating profit before tax		(1)
Tax (benefit)		(11)
Net profit for the year		10

ChristchurchNZ Holdings Ltd

www.christchurchnz.com

ChristchurchNZ Holdings Ltd (CNZ) is wholly-owned by the Council. It is the holding company for the Council's investment in ChristchurchNZ (CNZ).

CNZ is responsible for delivering sustainable economic growth for Ōtautahi Christchurch on behalf of the Council.

Subsidiary and associate entities
CNZ is a joint venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partners Limited, a regional vehicle funded by the government to drive increased capability in small to medium sized entities.

Nature and scope of activities
CNZ's core priorities are job growth, improvement in economic, social and environmental competitiveness of Christchurch businesses and promotion of Christchurch nationally and globally to attract people to the city to do business, invest, study and live.

CNZ, along with its partners is responsible for developing, monitoring and implementing the Christchurch Economic Development Strategy, Christchurch Visitor Strategy, Christchurch Major Events Strategy and Christchurch Antarctic Gateway Strategy, and for developing the Christchurch City Narrative.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin CNZ's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key Performance Targets

Strategic priority	2025 Target	2025 Actual
Carbon emissions	Reduce organisation's carbon footprint below 116 tonnes.	Achieved – 102.3 tonnes.
Health and safety – serious harm	Zero.	Achieved - zero.
Long lasting job creation supported by CNZ	180 FTE jobs.	Achieved 776
Short term job creation supported by CNZ through events, urban development and screen activity	320 FTE jobs.	Achieved 487.
Estimated value of GDP contribution attributable to CNZ	$40 million.	Achieved $106.1 million.
Contribution to visitor spend supported by CNZ	$27 million.	Achieved $41.8 million.
Value of investment into Christchurch supported by CNZ	$35 million.	Achieved $286.6 million.

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	19,170	20,850
Operating and other expenses	18,700	19,249
Operating profit before tax	470	1,601
Tax (benefit)	(129)	104
Net profit for the year	599	1,497

The surplus after tax is lower in 2024/25 by $0.9 million which largely relates to a one-off Council seed funding grant for major events of $1.9 million in 2023/24, offset by higher third party revenue in 2024/25 of $0.3 million as contributions to campaigns and events and lower than planned activity operating costs of $0.5 million largely due to timing of activities.

Transwaste Canterbury Ltd

Transwaste was incorporated in March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened in June 2005. Transwaste is a joint venture between local authorities in the region and Waste Management NZ Limited, with the Council owning 38.9 per cent.

Nature and scope of activities
Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

Policies and objectives relating to ownership and control
It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest (50%) in residual waste disposal activities, as major shareholder, Waste Management Canterbury Ltd.

Through a Statement of Intent, the Council and other shareholders influence the direction of the company, its objectives and its accountability settings.

Key performance targets

Objective and Strategy	2025 Target	2025 Actual
To operate a successful business, providing a fair rate of return to shareholders	Kate Valley Dividends $14.9 million.	Not achieved, dividend paid $14.65 million.
	Total Revenue (including waste levy) of $79.979 million.	Achieved ($80.811 million).
Environmental standards.	Nil consent breaches notified during the year or advised by ECan or Hurunui District Council	Achieved.
Service quality	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers	Achieved.
Health and safety	Maintain or improve current total recordable injury frequency rate (TRIFR) for last 12 months	Not achieved – 1 Medical Treatment Injury (MTI), resulting in TRIFR of 91, compared to a restated 56 last year

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	81,219	73,581
Operating and other expenses	61,809	53,384
Operating profit before tax	**19,410**	**20,197**
Tax (benefit)	5,471	5,655
Net profit for the year	13,939	14,542

Net profit after tax in 2024/25 was lower than the prior year by $0.6 million. The Government's waste levy increased from $50 to $60 per tonne of waste to landfill resulting in an increase in both revenue collected and expense incurred of $3 million over the prior year's total levy. The reduction in net profit reflected lower volumes of waste to the landfill by 8,761 tonnes in line with weaker economic activity.

Dividends paid to the Council shareholder $5.7 million (2023/24 $4.7 million) plus a further $1.9 million for the final distribution relating to the Burwood Resource Recovery Park project.

Riccarton Bush Trust

www.riccartonhouse.co.nz

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The Trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Riccarton Bush Trust was incorporated under a 1914 Act of Parliament, which was followed by a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012. This gives the Riccarton Bush Trust the power to negotiate with the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds.

The Council appoints five of the eight members on the Trust Board.

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin Riccarton Bush Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Riccarton Bush Trust, its objectives and measures of performance for which the Trust will be held accountable.

Key performance targets

Performance targets	2025 Target	2025 Actual
Financial performance	Net surplus after depreciation -$243,778	Achieved -$2,489
Riccarton House	Inform the public and relevant interest groups about ongoing activities of the Trust	Achieved.
Monitor Health and Safety practices in accordance with policy to meet the requirements of the Health and Safety at Work Act 2015	Report to each Board meeting on: Serious harm incidents 0 Accidents ≤ 1 Near misses ≤ 3	Achieved.
Bush Enhancements – replace board walk and improve interpretation	Stage 1 tender process completed. 'Buy a Board' campaign is successful. Plans to be completed for fire and irrigation systems.	Achieved. Achieved. In progress.

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	1,024	912
Operating and other expenses	1,027	953
Operating profit before tax	(3)	(41)
Tax (benefit)		-
Net profit for the year	(3)	(41)

The operating deficit in 2024/25 is lower than in 2023/24 by $39,000 from higher net revenue from grants and donations (including Council and third party grants) of $117,000 less higher depreciation of $38,000 and project costs of $30,000 (all relating to the bush enhancement project).

Rod Donald Banks Peninsula Trust

www.roddonaldtrust.co.nz

The Rod Donald Banks Peninsula Trust is a charitable trust created by the Council in July 2010. It was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and exists for the benefit of the present and future inhabitants of Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pātaka o Rākaihautū – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the Peninsula's natural environment.

Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its charitable objects and focuses its efforts on engaging with groups with similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups in the pursuit of common goals.

The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups to achieve goals that they cannot otherwise achieve on their own.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

Key performance targets

Performance indicator	2025 Target	2025 Actual
Meet Financial targets	Operating deficit -$355,000.	Achieved -$288,000.
The Trust bases its projects on four key pillars - Access, Biodiversity, Knowledge, and Partnerships	Assess all potential projects brought to the Trust's attention against these four pillars to determine whether they should be added to the Trust's project list and action those that are deemed a priority.	Achieved.
	Make submissions on relevant policy documents in support of the pillars.	Achieved.
Provide leadership and tangible support for the projects achieving access.	A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.	Achieved.
Provide tangible support for biodiversity.	Active support for Banks Peninsula's 2050 Ecological Vision goals for protecting all old-forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each.	Achieved.

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	292	1,649
Operating and other expenses	520	327
Operating profit before tax	(228)	1,322
Tax (benefit)		-
Net loss for the year	(228)	1,322

The Trust's operating surplus is lower than in 2023/24 by $1.56 million as a result of the Council's capital funding of $1.35 million in 2023/24. This was offset in 2024/25 by higher operating costs of $0.2 million which were largely trust management expenses due to a four month period in 2023/24 when the trust was without a manager and project costs following a review of all projects which led to a deferral of projects in 2023/24 until the review was completed.

Central Plains Water Trust ((NOT RECEIVED, NOT AUDITED)

www.cpw.org.nz

The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils (the Settlors) to facilitate sustainable development of central Canterbury's water resource.

Resource consents were issued by the Environment Court on 25 July 2012 which allow water to be taken from the Rakaia and Waimakariri rivers for the Central Plains Water Enhancement Scheme operated by Central Plains Water Limited (CPWL).

Nature and scope of activities
To hold resource consents for the proposed Canterbury Plains Water Enhancement Scheme for the use of Central Plains Water Limited and to monitor the company's performance against them.

CPWT's obligations include reporting annually to the people of Canterbury on the Scheme's environmental, social and economic results and administering the Environmental Management Fund in the manner set out in the resource consents.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council shareholders influence the direction of the Trust, its objectives and its accountability settings.

Key performance targets

Performance indicator	2025 Target	2025 Actual
Reporting to the public on the performance of the Central Plains Water Scheme	- Continue use of an independent consultant to obtain data from CPWL and prepare the Annual Sustainability Report. - Continue to publish 'a user-friendly' Annual Sustainability Report on our website by March 31st.	
Environmental targets	- To ensure compliance of resource consents - To ensure compliance of water rights - To report on any non-compliance to the Joint Settlor Committee - Commitment to meeting all legal, statutory and regulatory requirements	
Engagement	Six monthly engagement with Selwyn District Council and Christchurch City Council.	

Financial summary
Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue		
Operating and other expenses		
Operating profit before tax	-	-
Tax (benefit)	-	-
Net profit for the year	-	-

Ōtautahi Community Housing Trust

www.ocht.org.nz

The Ōtautahi Community Housing Trust (OCHT) was established by the Christchurch City to facilitate the delivery of social housing.

Nature and scope of activities

OCHT is a class 1: social landlord under the Pubic and Community Housing Management (Community Housing Provider) Regulations 2014 and Public and Community Housing Management Act 1992.

As a Community Housing Provider (CHP) for the Government in particular the Ministry of Social Development. OCHT was established to provide social and affordable rental housing through direct ownership or other means and associated rental accommodation services in Christchurch and Banks Peninsula for the relief of social housing tenants.

Key performance targets

No key performance targets exist between the Council and OCHT.

Policies and objectives relating to ownership and control

The OCHT is not a Council-controlled Organisation under the Local Government Act 2002, however does require consolidation into the Council Group under Public Benefit Entity IPSAS 35 – Consolidated Financial Statements accounting standard.

Financial summary

Statement of financial performance for the year ended 30 June 2025

	2025 Actual $000	2024 Actual $000
Operating revenue	38,445	38,108
Finance Income	324	354
Operating and other expenses	32,897	31,258
Operating profit before tax	5,872	7,204
Tax (benefit)	-	-
Net profit for the year	5,872	7,204

The surplus for 2024/25 is lower than in 2023/24 by $1.3 million mostly related to higher revenue of $0.3 million offset by higher operating expenses of $1.6 million. Revenue increases were from rental assistance schemes. Operating cost pressures were incurred for lease costs ($0.8 million), interest costs ($0.2 million), finance costs ($0.2 million) and rates ($0.2 million). Depreciation was higher by $0.3 million following an increase in value of land and buildings at 30 June 2024.

Te Kaha Project Delivery Ltd

TE KAHA
PROJECT DELIVERY

Te Kaha Project Delivery Ltd (TKPDL) is wholly owned by the Council. It is the delivery company for the new Canterbury multi-use arena to be constructed by 2026.

The funding partners in the development are the Council and Crown.

Nature and scope of activities
TKPDL's mandate is to provide governance and financial control of the delivery of the Canterbury multi-use arena including planning, design, execution, monitoring and control through to practical completion.

Policies and objectives relating to ownership and control
Section 59 of the Local Government Act 2002 sets out the principal objectives of Council-controlled organisations. These objectives underpin the Trust's strategic direction and activity plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council shareholders influence the direction of the Trust, its objectives and its accountability settings.

Key performance targets

Performance indicator	2025 Target	2025 Actual
Governance costs.	$680,000.	Achieved $601,000.
Project Execution Plan (PEP).	PEP is executed for the D&C phase and compliance with PEP maintained.	Achieved.
Clear sustainability standards developed for the project during the D&C phase.	Approve the BESIX Watpac Sustainability Performance Plan at the end of detailed design. Report against agreed project sustainability outcomes.	Achieved.
Baseline lag indicators are monitored to ensure safety for all.	TRIFR less than 10.0 per 1,000,000 hours worked on the project	Achieved.
Project Delivery.	Project managed to budget, time and quality.	Achieved.

Financial summary
Statement of financial performance for the year ended 30 June 2024

	2025 Actual $000	2024 Actual $000
Operating revenue	601	616
Finance Income		
Operating and other expenses	601	616
Operating profit before tax	-	-
Tax (benefit)	-	-
Net profit for the year	-	-

The operating costs of One New Zealand Stadium at Te Kaha are met by the Council. The Company does not hold or recognise any assets or liabilities.
The $15,000 reduction in costs and revenues between years is a timing matter which will resolve by the end of the 2025/26 financial year.

Monitoring

Monitoring
Reserves and Trust Funds

The Council maintains a number of special reserves and trust funds which have a specific purpose.

The table below shows the movement in the funds for the year to 30 June 2025:

Reserve	Activities to which the reserve relates	Balance 1 July 2024 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2025 $000
Trusts and bequests					
ChCh Earthquake Mayoral Relief Fund	Bequests made for Mayoral Earthquake Relief Fund.	11	1	-	12
Housing Trusts & bequests	Various bequests made for the provision of Social Housing.	103	5	-	108
Cemetery bequests	Various bequests made for the maintenance of cemeteries.	78	4	-	82
CS Thomas Trust - Mona Vale	Funds set aside for restoration work at Mona Vale.	43	2	-	45
Woolston Park Amateur Swim Club (WPASC)	Scholarship programme including an Annual Talented Swimmer Scholarship and an Annual Potential Swimmer Scholarship utilising the former Woolston Park Amateur Swimming Club monies gifted to the Council.	13	1	-	14
Parklands Tennis Club	Residual funds passed to the Council from the windup of the Parklands Tennis Club.	21	1	-	22
19th Battalion Bequest	Funds passed to the Council by the 19th Battalion and Armoured Regiment to help fund the maintenance of the 19th Battalion and Armoured Regiment Memorial area.	19	1	-	20
Yaldhurst Hall Crawford Memorial	Funds left by Mr Crawford for capital improvements to the Hall.	12	1	-	13
Sign of Kiwi Restoration Fund	Funds set aside for restoration work at the Sign of the Kiwi.	5	-	-	5
Fendalton Library Equipment Bequest	Bequest made to fund equipment at the Fendalton Library.	4	-	-	4
W A Sutton Art Gallery Bequest	Bill Sutton's bequest that any proceeds and benefits from copyright fees that might be charged be utilised for the acquisition and advancement of Canterbury Art.	2	-	-	2
James Smedley Charitable Trust	Bequest to Council, for the beautification of the Botanic Gardens	-	504	(79)	425
Akaroa Community Health Trust	A grant to assist the Akaroa Community Health Trust in meeting a funding commitment to the Canterbury District Health Board for the new Akaroa Community Health Centre.	39	2	-	41
Sub-total trusts and bequests		**350**	**522**	**(79)**	**793**
Special Funds & Reserves					
Capital Endowment Fund	Fund that generates an ongoing income stream which is applied to economic development and civic and community projects.	106,234	4,796	(4,499)	106,531
Housing Development Fund	A fund used for funding the Council's Social Housing activity.	3,088	17,394	(16,860)	3,622
Wairewa Reserve 3185	To enable drainage works relative to Lake Forsyth.	139	7	-	146

Reserve	Activities to which the reserve relates	Balance 1 July 2024 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2025 $000
Wairewa Reserve 3586	To enable drainage of Lake Forsyth into the sea in times of flood.	48	3	(13)	38
Development & Financial Contributions - Reserves	Development and financial contributions held for growth related capital expenditure.	44,037	3,610	(8,801)	38,846
Development & Financial Contributions - Leisure	Development and financial contributions held for growth related capital expenditure.	-	1,963	(1,963)	-
Development & Financial Contributions - Roading	Development and financial contributions held for growth related capital expenditure.	7,758	8,376	(5,909)	10,225
Development & Financial Contributions - Water supply	Development and financial contributions held for growth related capital expenditure.	11,681	3,663	(335)	15,009
Development & Financial Contributions - Waste water	Development and financial contributions held for growth related capital expenditure.	21,888	8,027	(4,706)	25,209
Development & Financial Contributions - Storm water	Development and financial contributions held for growth related capital expenditure.	1,225	3,346	(3,218)	1,353
Development & Financial Contributions - Libraries	Development and financial contributions held for growth related capital expenditure.	-	-	-	-
Development & Financial Contributions - Cemeteries	Development and financial contributions held for growth related capital expenditure.	-	-	-	-
Flood Protection Fund	Funds set aside for flood protection works.	871	46	-	917
Historic Buildings Fund	To provide for the purchase by Council of listed heritage buildings threatened with demolition, with the intention of reselling the building with a heritage covenant attached.	1,292	2	-	1,294
Community Loans Fund	Fund used to help community organisations carry out capital projects by lending funds at low interest rates.	3,346	114	-	3,460
Dog Control Account	Statutory requirement to set aside any Dog Control surpluses.	2,466	2,919	(2,816)	2,569
Non Conforming Uses Fund	To enable Council to purchase properties containing non-conforming uses causing nuisance to surrounding residential areas and inhibiting investment and redevelopment for residential purposes.	1,981	105	-	2,086
QEII sale proceeds	For investment in initiatives that promote the most appropriate and productive use of remaining Council land on QEII site.	2,188	6,000	(355)	7,833
Conferences Bridging Loan Fund	To provide bridging finance to organisers to allow them to promote, market and prepare initial requirements for major events and conferences, repaid by first call on registrations.	510	-	-	510
Cash in Lieu of parking	To hold contributions from property developers in lieu of providing parking spaces. Used to develop parking facilities.	709	38	-	747
Loan Repayment Reserve	Fund used for facilitating repayment of rate funded loans.	-	64,216	(64,216)	-
Sandilands Contaminated Sites Remediation	Fund used for remediation work at Social Housing sites.	254	-	-	254
Businesscare - Commercial Waste Minimisation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill.	68	-	-	68
Burwood Landfill Cell A Remediation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill.	607	32	-	639
Bertelsman Prize	Fund for the provision of in-house training programmes for elected members and staff which have an emphasis on improving excellence within the Council.	20	-	-	20

Reserve	Activities to which the reserve relates	Balance 1 July 2024 $000	Transfers into fund $000	Transfers out of fund $000	Balance 30 June 2025 $000
WD Community Awards Fund	To provide an annual income for assisting in the study, research, or skill development of residents of the former Waimairi District (within criteria related to the Award).	25	1	-	26
Toi Auaha Rental Income		46	4	49	99
Duvauchelle Res Mgmt Committee	To enable maintenance and improvements at public reserves in Duvauchelle	222	392	(301)	313
Okains Bay Res Mgmt Committee	To enable maintenance and improvements at public reserves in Okains Bay	655	441	(397)	699
Pigeon Bay Res Mgmt Committee	To enable maintenance and improvements at public reserves in Pigeon Bay	95	56	(39)	112
Taylors Mistake, Boulder Bay & Hobsons Bay	Rent received from the licensing of the baches to provide for amenity, environmental and heritage enhancements in the local area.	171	78	(33)	216
Cathedral Restoration Grant	A grant of $10 million (spread over the period of the reinstatement) towards the capital cost of reinstatement, to be made available once other sources of Crown and Church funding have been applied to the reinstatement project. Any interest will be available for other heritage projects.	3,741	1,318	-	5,059
Weather Event Fund	Fund established for costs of future weather events.	1,100	500	-	1,600
Miscellaneous reserves	Minor or obsolete reserves.	35	22	(22)	35
Sub-total special funds and reserves		**216,500**	**127,469**	**(114,434)**	**229,534**
TOTAL RESERVE FUNDS		**216,850**	**127,991**	**(114,513)**	**230,327**

Monitoring

The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and innovation, community, and environment projects.

The investment objectives of the fund were met during 2024/25. All funds were held as cash investments during the year. This approach was consistent with the objectives outlined in Council's Investment Policy.

	2025 Actual $000	2024 Actual $000
Fund capital at 1 July	103,962	103,962
Less distributed	-	-
Revaluation adjustment	-	-
Fund capital at 30 June 2025	**103,962**	**103,962**
Unspent funds at 1 July	2,272	1,112
Plus income received by the fund	4,796	4,747
Less distributed	(4,499)	(3,587)
Returned funds	-	-
Unspent income at 30 June 2025	2,569	2,272
Total Capital Endowment Fund balance at 30 June 2025	**106,531**	**106,234**
Distribution details		
Income distributions		
Economic Development and Innovation	1,539	1,539
Community	2,960	2,048
	4,499	**3,587**

Monitoring
Subsidiary and associate companies

Listed below are the trading enterprises in which the Council has an interest, together with the directors of the trading enterprises, for the period ended 30 June 2025.

Christchurch City Holdings Ltd (100% owned)
Wynton Cox[i]
Bridget Giesen[ii]
Bryan Pearson[iii]
Sara Templeton (Cr)[iv]
Sam Macdonald (Cr) [v]
Andrew Bascand [xxx]
Melanie Coker[xxxi]
Sina Tait [xxxii]

Enable Services Ltd (100% owned)
Justin Murray
Mark Petrie
Geoff Lawrie
Keiran Horne[vi]
Debra Blackett[vii]
Nina Lammiman [xxxvi]
Carolyn Luey[viii]

Christchurch International Airport Ltd (75% owned)
Andrew Barlass[ix]
Edward Sims
Kathryn Mitchell
Sarah Ottrey
Christopher Paulsen
Paul Reid[x]
Megan Matthews [xxxvii]

City Care Ltd (100% owned)
Bryan Jamison
William Bayfield[xi]
Elena Trout
Mark Todd
Jacqueline Colliar[xii]
Alison Posa[xiii]
Thomas Nickels [xxxviii]

Lyttelton Port Company Ltd (100% owned)
Barry Bragg[xiv]
Nicola Crauford[xv]
Vanessa Doig[xvi]
William Dwyer
Nicholas Easy
Julian Hughes[xvii]
Karen Jordan[xviii]
Sean Bolt [xxxix]
Richie Smith [xl]

Orion New Zealand Ltd (89.3% owned)
Jennifer Crawford
Sally Farrier
Jason McDonald
Paul Munro
Michael Sang
Vena Crawley

Te Kaha Project Delivery Ltd (100% owned)
Barry Bragg
Wynton Cox
Jane Huria
Richard Peebles
Stephen Reindler

RBL Property Ltd formerly Red Bus Ltd (100% owned)
Paul Silk[xix]
Anthony King[xx]
Matthew Slater [xxxiii]

Development Christchurch Ltd (100% owned)
Paul Silk
Matthew Slater [xxxv]
Bryan Pearson [xxxiv]

ChristchurchNZ Holdings Ltd (100% owned)
Dona Arseneau
Stephen Barclay
Jennifer Crawford[xxi]
Toby Selman[xxii]
Victoria Henstock (Cr)[xxiii]
Jake Mclellan-Dowling (Cr)[xxiv]
Lauren Quaintance[xxv]

Venues Ōtautahi Ltd(100% owned)
Wynton Cox
Brent Ford
Susan Goodfellow
Tim Scandrett (Cr)[xxvi]
Kelly Barber (Cr)[xxvii]

Civic Building Ltd (100% owned)
James Gough (Cr)
Sam MacDonald (Cr)
Jake Mclellan-Dowling (Cr)[xxviii]

EcoCentral Ltd (100% owned)
Mark Christensen
Sinead Horgan
Mark Jordan
Benjamin Reed
Jacqueline Cheyne [xli]

Transwaste Canterbury Ltd (38.9% owned)
Wynton Cox
Ross Pickworth
Ian Kennedy
Hans Maehl
Grant Miller
Thomas Nickels
James Gough (Cr)[xxix]

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[i] Appointed 22 March 2023
[ii] Appointed 26 April 2023
[iii] Appointed 30 May 2024
[iv] Reappointed 01 February 2023
[v] Appointed 01 February 2023
[vi] Appointed 25 January 2023
[vii] Appointed 13 December 2023
[viii] Appointed 17 October 2023
[ix] Reappointed 7 June 2024
[x] Reappointed 7 June 2024
[xi] Appointed 27 October 2023
[xii] Appointed 27 October 2023
[xiii] Appointed 27 October 2023
[xiv] Appointed 26 April 2023
[xv] Appointed 19 June 2023
[xvi] Appointed 01 January 2023
[xvii] Appointed 19 June 2023
[xviii] Appointed 01 August 2023
[xix] Appointed 08 February 2023
[xx] Appointed 1 January 2021
[xxi] Appointed 15 January 2023
[xxii] Appointed 15 January 2023
[xxiii] Appointed 22 March 2023

[xxiv] Appointed 22 March 2023
[xxv] Appointed 15 January 2023
[xxvi] Reappointed 22 March 2023
[xxvii] Appointed 22 March 2023
[xxviii] Appointed 22 March 2023
[xxix] Appointed 24 February 2023
[xxx] Appointed 01 February 202
[xxxi] Appointed 26 February 2025
[xxxii] Appointed 27 March 2025
[xxxiii] Appointed 28 February 2025
[xxxiv] Appointed 14 February 2025
[xxxv] Appointed 28 February 2025
[xxxvi] Appointed 22 October 2024
[xxxvii] Appointed 29 October 2024
[xxxviii] Appointed 25 October 2024
[xxxix] Appointed 23 October 2024
[xl] Appointed 23 October 2024
[xli] Appointed 01 November2024

Glossary

BCA	Building Consent Authority
BRRP	Burwood Resource Recovery Park
CAfE	Christchurch Agency for Energy Trust
CBD	Central Business District
CBL	Civic Building Limited
CCBJV	Christchurch Civic Building Joint Venture
CCDU	Christchurch Central Development Unit
CCHL	Christchurch City Holdings Limited
CCOs	Council Controlled Organisations
CCT	Christchurch and Canterbury Tourism
CCTOs	Council Controlled Trading Organisations
CDC	Canterbury Development Corporation
CDCH	Canterbury Development Corporation Holdings Limited
CDEM	Civil Defence Emergency Management
CGU	Cash Generating Unit
CIAL	Christchurch International Airport Limited
City Care	City Care Limited
Council	Christchurch City Council
Cr	Councillor
CWTP	Christchurch Wastewater Treatment Plant
DEE	Detailed engineering evaluations
ECE	Early childhood education
ECL	Expected credit loss
EcoCentral	EcoCentral Limited
ENL	Enable Networks Limited
EOC	Emergency operations centre
EQ	Earthquake
ESL	Enable Services Limited
Exchange revenue	Revenue from providing goods and services to another entity and directly receiving approximately equal value in exchange
FAP	Financial assistance package
FIT	Free Independent Traveller
FDA	Financial delegation authority
Group	As outlined in Group Structure section of the Annual Report
IM&CT	Information Management and Communications Technology
IPSAS	International Public Sector Accounting Standards
ISP	Internal service providers
JESP	Justice and Emergency Services Precinct
LGFA	New Zealand Local Government Funding Agency Limited
LDRP	Land Drainage Recovery Programme
LIMs	Land Information Memorandums
LIU	Libraries and Information Unit
LOS	Level of service
LPC	Lyttelton Port Company Limited
LTP	Long Term Plan
LURP	Land Use Recovery Plan
MBIE	Ministry of Business, Innovation and Employment
MKT	Mahaanui Kurataiao Limited
MOU	Memorandum of Understanding
NABERSNZ	National Australian Built Environment Rating System New Zealand
NBS	New building standard
Non exchange revenue	Revenue from transactions that are not exchange transactions
NPS	National policy statement
NRFA	National Rural Fire Authority
NTPL	Ngāi Tahu Property Limited
NZFS	New Zealand Fire Service

NZ GAAP	General accepted accounting practice in New Zealand
NZ IAS	New Zealand equivalent to International Accounting Standard
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZLGIC	New Zealand Local Government Insurance Corporation
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
NZX	New Zealand Stock Exchange
OCHT	Ōtautahi Community Housing Trust
Orion	Orion New Zealand Limited
PBE	Public benefit entity
PIM	Project Information Memorandum
Plan	Annual Plan
PRFO	Principal Rural Fire Officer
PVL	Powerhouse Ventures Limited
Red Bus	Red Bus Limited
RFID	Radio frequency identification
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SOI	Statement of Intent
Transpower	Transpower New Zealand Limited
Transwaste	Transwaste Canterbury Limited
Te Kaha	One New Zealand Stadium at Te Kaha
UDS	Urban Development Strategy
UFB	Ultra-fast broadband
VO	Venues Otautahi Limited
Vested assets	Assets received by Council for no consideration
WHRS	Weathertight Homes Resolution Services
WIP	Work in progress
WINZ	Water Information New Zealand

Definition of Terms used for the Financial Prudence Benchmarks[1]

Net debt	Total financial liabilities less financial assets (excluding trade and other receivables).
Total revenue	Total cash operating revenue excluding development contributions and non government capital contributions.
Annual rates income	Total rates income (including targeted water supply rates) less rates remissions.
Net interest	The difference between interest income and interest expense recognised by the Council in its financial statements.
Quantified limit	The limit on rates, rates increases, or borrowing for a year that is included in Council's financial strategy.

[1] The definition set-out in this section and as used in the relevant sections of this Annual Report is based on the Local Government (Financial Reporting and Prudence) Regulations 2014.

Christchurch
City Council